

The Walt Disney Company: What does its Future Hold?

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Abstract. Pandemic has speeded up the development process of streaming media, this paper will focus on The Walt Disney Company - one of the most successful companies in providing streaming services, seeing how this company thrives in this area, as well as the advantages that can ensure it to be one of the leading medias and entertainment companies in the next 10 years. After that, I will provide some suggestions for the company base on my current understanding of its strategy, while I agree with its ongoing intentions to speed up direct-to-consumer business.

Keywords: The Walt Disney Company; Disney+; Streaming service.

1. Introduction

The Walt Disney Company, evokes worldwide sensation by its incredible power of unparalleled storytelling, from high-quality films to attractive theme parks adapted to all ages. Apart from the Disney parks, it contains four content groups - Studios, General Entertainment, Sports and International, which are focused on Media and Entertainment Distribution, producing content for DTC (Direct to Consumer), theatrical and linear platforms [1]. Disney gathers people's attention both online in Disney+ and offline in theme parks.

As a huge copyright holder, Disney holds a large amount of good quality and quantity contents including Pixar, Marvel, Star Wars, National Geographic and so on, which is the advantage that all the competitors cannot catch up with for the latter few years. The fact that Disney+ has gained a staggering 86.8 million subscribers within merely a month after launching has proved its unique merit¹, while it took Netflix a couple of years to get to this point. Disney's specific pattern is quite hard for others to duplicate.

2. Analysis: Reasons and Disadvantages of its Success

2.1 Creative Engines

According to the announcement of Media And Entertainment Businesses Strategic Reorganization[2], Disney has made a new strategy for emphasising the company's streaming services because of the rapid success of Disney+: creative engines (three content groups including Studios, General Entertainment, and Sports) will concentrate on creating and developing original contents for the Company's streaming services as well as for legacy platforms, while distribution and commercialization tasks will be consolidated under a single, worldwide Media and Entertainment Distribution organization. The company predicted that paid subscriptions will be reached 300 to 350 million by the year 2024 principally fueled by a substantial rise in content output. More than 100 new productions are expected to be released annually on solely Disney+, and the company has launched an attractive price to bundle Disney+ with Hulu, and ESPN+ at the same time, which is able to attract the ones who are into sports events, which can hugely benefit from the variety of live sporting events in certain area, such as Latin America. In this way Disney+ can expand its sport-oriented consumer group with a little effort.

2.2 Business Model

Another reason that makes me believe that The Walt Disney Company will be dominant in the near future is its reliable business model: Walt Disney drew a business plan in 1957 with movies as its core and theme parks, merchandising, music, publishing, and television around it, and maintained this model for decades even now.[3] Not only they are producing the film and character images, but

also they are making each character and each story become the brand individually, and naturally they becoming the intellectual property of Disney - only Disney can use them for commercial aims.

Everyone knows that the content of films will not stop at the screen, once the movie becomes popular, all the manufacturers from music providers to toy makers may have business cooperate with Disney in a short time in order to produce by-products[4]. While others cinema and entertainment platforms need to pay distribution fees to Disney, so that they can broadcast them to their audiences, Disney+ have the right to gather all the Disney films together, which is a huge advantage compared with others.

Apart from that, Disney is famous for its theme parks, the combination of online and offline can bring customers not only to the virtual network world of entertainment but can also to enjoy happiness in reality. In this way, they can provide content (perhaps an exclusive version) in their own platform of distribution, which is a win-win situation: Disney+ itself does not have to pay much copyright payment as Disney is a huge copyrights holder, this enables Disney+ only charge \$6.99 a month, half the price of Netflix, and it can control the shooting budget more easily because Disney is the one who responsible for making the films. In this stable structure of the business model, I prefer saying that there is little possibility for Disney to have a financial crisis if they can arrange their fund in a proper way.

2.3 Forever Topic and its modern technology

Peace and true love can be the forever topic for Disney, and watching Disney movies is definitely a good choice for people to escape their real or hard lives, reaching a whole new world which is Trivialization – stories and texts are made to be harmless, infantilized, and Anthropomorphism – the natural world is made human and cute, while theme park can help you to strengthen this kind of feelings in person, which creates hyperreality simulation and inauthentic illusion to the viewers at the very time when you enter the cinema. All of these fit Disney's mission statement: to entertain, inform and inspire people around the globe through the power of unparalleled storytelling.

Moreover, its success rests on its mastery of the three elements of modern myth-making: tropes, technology and toys[3]. Evoking stories' resonance has always been its competitive aspect. In order to catch up with the newest technology, it gained Industrial Light & Magic when it bought Lucasfilm, which is one of the top companies for special effects, bringing audiences about more excited high-tech wizardly effects.

2.4 A New Type to Create

Mumbai has concluded two different types of major players in the internet-based streaming market: YouTube and Netflix. One is based on ad-based services, another one is subscription-based, and that is similar to cable TV[3].

But for Disney+, it is a new way to strengthen the bond between consumers: Movies can lead to creative content on Disney+, which generates brand-new theme park attractions, merchandising possibilities, and new movies, each of which relies upon one another like an actual cinematic universe.

2.5 Possible threats

On the other side, developing streaming services can bring some disadvantages. First of all, it will be easier for people to get the pirate version of Disney movies. Secondly, the possibility of sharing accounts on the internet can decrease the income of Disney+.

On top of that, the company can have a deeper insight about cultural background from other regions if they want to shoot a movie such as Mulan in the future, which was accused of referring to orientalism.

3. Conclusion

In conclusion, this paper has discussed the reason why the author believes The Walt Disney company will thrive in the near future and made clear of its irreplaceable advantages based on existing resources, as well as mentioned the hidden threats on its way to become one of the dominant medias and entertainment enterprises in the future.

References

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