

Research on Disney's Business Strategy and Investment Value

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Abstract. As the best-known media and entertainment company, Walt Disney's every action will be expanded and put into the spotlight. Each mild adjustment will exert unpredictable effects on the stock market performance. A report is required to make the influence predictable and determine the relationship between Disney's strategy and its investment value, which enables the investors to avoid loss. To analyze Disney's current strategy, the report adopts PEST and SWOT models and ESG ratings. The report involves absolute analysis (DCF) and relative analysis (PE) to calculate Disney's investment value. The report reflects on whether Disney is worth investing in by comparing its valuations with several other major competitors. In addition, by calculating the volatility, the report illustrates the risk of investing in Disney. Through those analyses, the result is that although Disney is undergoing challenges, it still has an anticipated vision. Therefore, from the perspective of long-term investment, Disney is worth to be invested in because the challenges also create opportunities.

Keywords: Disney, Business strategy, Investment value.

1. Introduction

Disney Company, in full The Walt Disney Company, formerly (1929–86) Walt Disney Productions, an American corporation that was the best-known purveyor of family entertainment in the 20th and 21st centuries.

1.1 Research Background

In recent years, the media and entertainment industry suffered a considerable blow. By the effect of the Covid-19 pandemic, various policies, and the change in people's conventional minds, etc., many companies have been thrust into the spotlight, again and again, especially the well-known one, The Walt Disney [1]. According to data from The Hollywood Reporter, Disney has lost about 583.2 billion yuan in market value since the outbreak. Disney has been hit hardest by the outbreak in its film, television, and theme park business. Since February, dozens of Disney films have been pulled from their original schedules, while nearly 50 films and TV shows in production have been affected to varying degrees. Some analysts don't expect Disneyland to reopen on the theme park front until January, and Disney recently suspended paychecks for its 100,000 employees. Therefore, the firm's vision appears to be concerned, and Disney is gradually losing its investment value. Under the circumstance, Disney will adjust its strategy to cope with the industry's and its dilemma. To value whether Disney is no longer appropriate for investment, the paper will research its business strategy from several aspects and analyze its performance.

1.2 Literature Review

Should people still invest in Disney is a topic with constant fervor, especially in recent years. This is because full of uncertainties and potential alterations in this macro-environment are affecting investors' decisions and judgment.

Miller claimed that Disney stock may seem expensive today, but the real power of streaming services lies in the ability of the service to increase prices [2]. If the company can increase consumer costs by 5% to 10% yearly, with a subscriber base of more than 200 million, Disney+ revenues could

grow exponentially. In this situation, when coupled with the resumption of its other activities such as cruising and theme parks, the stock may be undervalued at current levels compared with its potential over the next decade.

Despite the short-term volatility that could be expected with Disney stock, investor confidence is high in its future potential [3]. According to Bank of America analyst Jessica Reif Ehrlich, Disney is “well-positioned for the recovery, driven by a continued increase in capacity at theme parks and an improving content slate.” However, it is just a part of the story. Although the theme parks returned to profits in 2021, the rise of the omicron variant of COVID-19 could lead them to losses again. Last year, the company had to shutter the Shanghai Disneyland due to a COVID scare. Based on available evidence, however, the omicron variant’s effects are expected to be, at least on paper, shorter and contained [4]. As a result, Santoro is an educator, musician, and investor interested in learning what makes companies great long-term investments. He says, “Our award-winning analyst team revealed what they believe are the 10 best stocks for investors to buy right now... and The Walt Disney Company wasn’t one of them.”

1.3 Research Gap

Most articles researched how the macro-environment variations, like various policies and Covid-19, will affect Disney’s investment value. As the biggest company in the industry, in recent years, Disney’s tactics have been controversial with constantly debated. However, few scholars have studied Disney’s strategy and how it has changed. Disney’s investment value is not only affected by the environment but also influenced by how it deals with the variation, while the research on its strategy has long been overlooked. Consequently, the report regarding its tactics with its investment value is inevitable. For instance, to achieve political correctness, like adding LGBT content in their film, Disney is willing to sacrifice the market in Muslim countries and China. Thus, people are suspecting: what promotes this variation? What will Disney obtain or lose? What is the influence on its investment value? So many questions and doubts are waiting for a solution.

1.4 Research Framework

With intense curiosity, the paper will focus on the top to down strategy to analyze the long-term performance of this company and measure its future development trend.

First, this paper will introduce the macro-environment it is undergoing by PEST model analysis.

Second, this paper will illustrate Disney’s current business strategies. Then using SWOT model analysis and ESG rating, the author will analyze their advantage and drawbacks to predict their effect on Disney’s investment value.

Third, to value Disney and its prospect, this paper will involve relative analysis with PE, PB model, and absolute analysis with the DDM model.

Finally, this paper will predict the risk of investing in Disney by calculating its stock’s volatility.

2. Method

2.1 Industry Analysis (PESTEL)

2.1.1. Political Factor

In analyzing political factors, strengthening intellectual property protection and political stability in major markets will be a great opportunity for Disney. Moreover, the change of free trade policy, which will also be an external political factor to influence the strategy of Disney but also poses some threats to Disney, which can be said to be a double-edged sword. First, strengthening the protection of intellectual property rights for Disney creates a more favorable development environment [5]. This can reduce the possibility that other companies may be suspected of copying intellectual property rights and protect the achievements of Disney at the same time, stimulating the Disney company’s independent research and development drive. Secondly, the stable market conditions will provide

Disney with a good environment for development and will not receive political interference. Finally, the change of free trade policy is both a challenge and an opportunity for Disney because it will cause the previous business environment to become unstable after the change, but the new trade environment may bring the company to improve.

2.1.2. Environmental Factor

Among the environmental factors, we first focus on the rapid economic development of developing markets, which will be favorable for Disney. Its entertainment marketing and media products in other developing markets, such as Asian countries, may bring substantial revenue growth. Secondly, with the economic development, people's disposable income level is also increasing, which is a rare opportunity for Disney. More and more people can afford to pay for Disney's entertainment products [6].

2.1.3. Social Factor

Considering that Disney's business model joins multiple industry environments, the gradual favorable attitude of people towards leisure, among social factors, has undoubtedly become a good opportunity for Disney to grow. With the development of the economy, more and more people's views on leisure and entertainment have changed, which also increases the possibility that people are willing to pay for Disney leisure and entertainment products, bringing Disney more product revenue. Secondly, because of the epidemic and other reasons, people appear increasingly online. It means that more people can enjoy online products and self-publishing services, which also gives Disney, and such media majors the opportunity to sell their online products to more people [6]. At the same time, the growth of cultural diversity also affects the appeal of Disney products. It may be more difficult for Disney products to capture the public's appetite, but this also allows Disney to improve their products, so this is an opportunity for Disney

2.1.4. Technological Factor

Among the technological factors, considering that more and more companies are investing in advanced computers to help generate products, the industry's high research and development rate will undoubtedly bring more intense competition. And other companies are more likely to be able to make competitive and better products, which will be a big threat to Disney. At the same time, Disney can increase the appeal of its company through the growing popularity of augmented reality, such as through the production of video games and television series. This external factor can be solved by integrating the technology into the product [5].

2.1.5. Ecological Factor

The natural environment will be a large factor affecting Disney. First, changing and deteriorating cyclical weather will largely threaten the operating conditions of Disney's theme parks and resorts, bringing a significant decline in Disney's revenue in this sector. However, the increased availability of renewable energy sources presents an opportunity for Disney to improve its global business. There is no doubt that Disney can enhance its brand image by improving the utilization of renewable energy [5]. Finally, industry support for sustainability will also be an opportunity for Disney, as it can improve its operational efficiency while enhancing its brand image through sustainability measures.

2.1.6. Legal Factor

Considering the legal factors, more restrictive environmental regulations bring more opportunities for Disney. The main impact is in the operation of large offline facilities like amusement and theme parks. The construction of new parks or amusement parks can lead to changes in the ecology of origin, but these laws and regulations also add more restrictions to Disney's industry. Second, increased legal protection of consumer rights has given Disney a better business environment, making it possible to reduce the factors affecting customer satisfaction with its merchandise significantly. In addition, expanded protection of intellectual property rights has made Disney's industrial environment more

favorable, for example, by protecting the company's movie characters and copyright issues for its merchandise [6].

2.2 Company Analysis

2.2.1. Current Strategy

With the development of the world, people have gradually changed from solving the problem of food to no longer worrying about having enough to eat. Instead, they pay more attention to recreation after work and study. Secondly, the resolution of the epidemic will also make many families troubled by the epidemic come out again to find entertainment.

Disney's strategy is to build consumer markets for each character, from classics like Mickey Mouse to snow white to new hits like Kim Possible.

Product development is The Walt Disney Company's primary intensive growth strategy. This strategy involves offering new products in the company's current or existing markets.

The advantage is to provide a variety of choices to customers. The product meets the customer's taste, and there will be much demand, thus creating profits.

Indeed, the disadvantage is also dominant. That is, the pandemic could rebound, which would be a big blow to Disney, and a major change in target customers' tastes is also a big risk. However, these are just a part of the story. Nowadays, people can purchase goods online, like Amazon. Therefore, although the pandemic has rebounded, people still can buy the products. In addition, Disney is constantly implementing new IPs and characters to cope with people changing tastes.

2.2.2. SWOT Analysis

2.2.2.1. Strengths

The Walt Disney Company has many strengths. Firstly, the company has world-famous IPs like sleeping beauty and Cinderella, and also Disney is a popular brand. Secondly, the Walt Disney Company has enough money to invest and cooperate with other different enterprises strongly. Because of the Walt Disney Company's strong financial chains, the company owns many patents. Recently, the company also worked on streaming media---Disney+, which has attracted many consumers. Importantly, the company's managers are wise and tactical.

2.2.2.2. Weaknesses

The Walt Disney Company also has some weaknesses. At first, with the development of society, there was less innovation. Most famous IPs were occurring in the past, so it is difficult for others to develop new ideas. Thus, if there is little diversification, the new consumers will be decreased dramatically. Moreover, there are fewer Disneyland in the world, so the company cannot make sure Disneyland can attract more consumers from around the world.

2.2.2.3. Opportunities

The Walt Disney Company can have more opportunities with the development of technology and society. Firstly, more excellent people can invent more things. So the company needs to use more money to hire more talents. Secondly, streaming media is also a good development direction. If the Walt Disney Company can add more content and special programs, Disney+ can appeal to more people. Finally, economic development is pretty important. For example, recently, COVID-19 appeared, and many places' economy is not very well. Therefore, the economic state of Disney is not good too.

2.2.2.4. Threats

However, there still are some threats. To begin with, the competition with other companies such as Netflix, WD, and Universe is fierce. As a result, the Walt Disney Company will have many difficulties in the future, meaning they still need to work harder than before and develop new ideas [7]. Moreover, technology today develops slowly. Novel technologies invented by other competitors will threaten Disney potentially.

2.2.3. Key financial ratio (According to Disney 2022Q1 and 2021Q1 earnings data [8])

2.2.3.1. Revenue

Disney reported revenue of \$3.258 billion in the first quarter of 2022, up 145% from the same period last year, and \$1.332 billion in the first quarter of 2021.

The increase in revenue was due to the proper containment of COVID-19 and the opening and screening of the parks and movies as scheduled.

2.2.3.2. Operating Costs

Disney's operating costs were \$19.623 billion in the first quarter of 2022, up 0.049% year-over-year, compared to \$15.99 billion in the first quarter of 2021.

The increase in operating costs was due to higher production costs for movies and programs, but the corresponding impact was insignificant.

2.2.3.3. The Gross Profit

Disney's gross profit for the first quarter of 2022 was -16.365 billion USD, up 12% year-over-year, and -14.658 billion USD for the first quarter of 2021.

2.2.3.4 The Net Profit

Disney reported a net profit of \$1.152 billion in the first quarter of 2022, up 6,300% from \$18 million in the first quarter of 2021.

Compared with 2021, this is a huge breakthrough, mainly because the world is still affected by the epidemic 2021, and major parks cannot operate normally. Compared with 2021 and 2022, there is a recovery phenomenon, contributing to a great increase.

2.2.3.5. Smart Refrigerator

Disney's net income in the next quarter may increase further due to the control of the pandemic, and the overall trend will be good.

2.2.4. Relative Analysis (PE)

In relative analysis, the PE ratio is the valuation criteria, which can illustrate a lot [9]. Walt Disney's PE ratio is 67.11, the highest value in the industry [10]. In contrast, WarnerBros' PE ratio has merely 7.01, and Netflix's PE ratio has only 11.64, the two major competitors of Disney [11]. Some people would argue that Disney's PE ratio has been overvalued. Indeed, this value seemingly is incredibly higher than that of others, while Disney deserves it because Disney has exceptional advantages. Compared with two major competitors, Walt Disney was not only a filmmaker but also a producer. Disneyland creates considerable profits, which takes a large position in Disney's annual revenue. Moreover, product development also allows Disney to gain a competitive edge over. By selling toys and IPs' copyright, Disney can make great profits. These advantages are not available to other competitors. As a result, Disney's PE ratio does not be overvalued.

2.2.5. Fundamental Analysis (DCF)

The dividend Discount Model and Discount Cash Flow are usually used to value a firm. In this paper, DCF will be adopted to value Walt Disney.



Figure 1 Walt Disney's DCF

Walt Disney's Fair value is \$105.35 to \$157.14, with an average of \$126.75. This high value means that Disney's prospects are incredibly good and worth investing in.

2.2.6. ESG rating

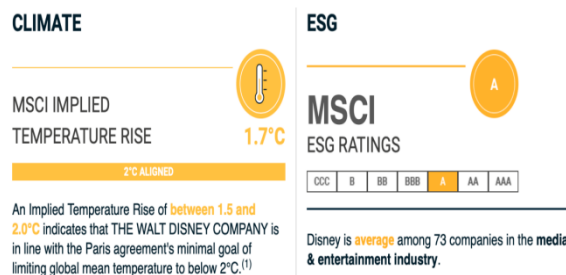


Figure 2 ESG rating of Disney [12]

2.2.6.1. Environmental

Disney is different from other media companies in that it covers various industries, including hotels, restaurants, services, etc. These industries account for a large portion of Disney's total revenue, so environmental impact is critical to Disney [13]. These revenues make up a large part of Disney's total revenue, so environmental impact is critical to Disney. First of all, when it comes to the environment, the first thing that comes to mind is probably emissions. It is worth saying that Disney has been doing a good job in reducing emissions, including the residual waste discharged from the parks disposed of promptly. However, due to the harsh climate, bad weather or natural disasters can have a significant negative impact on Disney parks and rides, which may have a significant hit on revenue.

2.2.6.2. Social

Disney has received numerous allegations of labor rights violations over the past decade, including unsafe working conditions, significant overtime, and payment of less than the legal minimum wage [13]. Disney should thoroughly investigate these allegations and the supply chain and prevent labor rights violations. Freedom of association is another pertinent labor rights issue in Disney's operation. But Disney has done a good job of racial and ethnic diversity; statistically, the percentage of minority employees at Disney has increased. The percentage of minority employees at Disney is up, but the percentage of female employees is down. In terms of increasing content diversity, Disney has devised a production entity that will be sandwiched between past films to remind audiences that this is an outdated cultural depiction, eliminating the extent to which audiences are offended by racial and cultural stereotypes in these films. In addition, Disney has been known for acquiring and vertically merging companies. As a result, it has been difficult to maintain a positive influence on the messages sent by Disney and its companies. For example, people have been hesitant to view Disney's ABC, the American broadcaster, when it is accused of harming labor interests. The merger would also have a negative impact on wages, innovation, and other aspects that would result in a significant loss of creative talent and content that Disney could have ignored.

2.2.6.3. Governance

Governance is a solid foundation for the company's success in achieving sustainable growth [13]. Disney has great strengths but also some risks in this area. Regarding board diversity, statistically, four out of ten directors are women, but three out of ten are racially and ethnically diverse. There is still much potential for Disney in this area. Corruption and bribery are also governance factors; the company has revealed that it spends much money on federal lobbying.

2.2.7 Risk Analysis (Volatility)

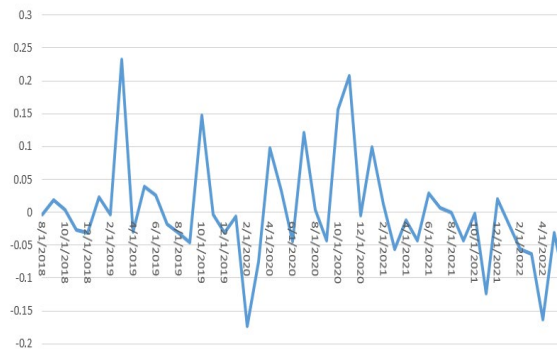


Figure 3 Monthly return rate of Disney

Figure 3 combines the last 5 years’ data on the monthly return rate of Disney, and the conclusion can be easily drawn. COVID-19 broke out in early 2020, and the impact of the pandemic on Disney’s stock price was short-lived. It lasted for only one month and then began to recover and rise, proving that the pandemic did not have too great an impact on Disney.

Furthermore, the monthly volatility of the stock is merely 0.080795, demonstrating that the risk level of investing in Disney is low.

3. Result

3.1 The Status of Industry Development

First, because of COVID-19, the entertainment industries have developed slowly. According to the picture below, most outside activities, like restaurants and out-of-home entertainment, are decreased. However, the percentage of entertainment at home is increased. So, compared to going outside for fun, people are willing to stay home. This phenomenon gives rise to the development of Disney+.

Second, the change leader Bob Iger is a successor in promoting Disney’s development [14]. The acquisition plays an important role in the company’s success. Disney uses \$12 billion to purchase well-known brands such as Marvel and Pixar, and these brands can also gain success by themselves. At last, the company purchased Fox and used the money to open Disney+, which included ESPN+, Hulu, and Hotstar. According to the data from the Disney company, Disney+ brings many profits, especially during COVID-19. To the data below, Disney+ gained \$5.2 billion in revenue in 2021 and reached over 100 million subscribers in 2021 as well, as had been downloaded over 200 million times from the beginning. Iger stopped being CEO in February of 2020.

The demand for streaming media increased with the new boss, Bob Chapek. Nowadays, the competitor forecasts that the subscriber of Disney+ will go beyond Netflix in the next two years.

As the old leadership departs, Disney is in flux, and new leaders are willing to work hard for the future. Change is inevitable in this condition.

Third, Breakout! About Disneyland, Bob Chapek replaces the Twilight Zone of Terror at Disney California Adventure with Guardians of the Galaxy. This phenomenon reflects that the company values IP highly. The annual ticket price is high. And the current price is too high for the common family. According to the research, the median household income in America was \$68730 in 2019 before taxes. Misusing some daily costs such as transportation, housing and food, a family must take three years to save money for the Disney tickets.

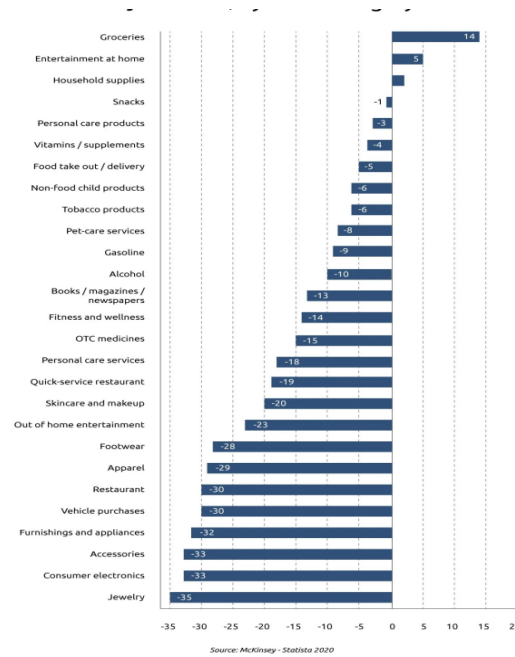


Figure 4 Impact of coronavirus (Covid-19) on consumer spending in the US as of June 2020, by retail category [15]

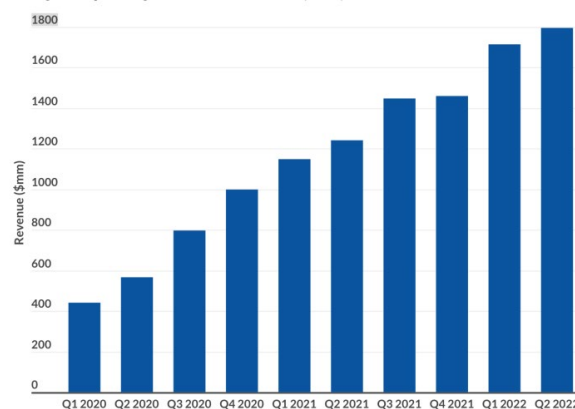


Figure 5 Disney Plus quarterly revenue 2020 to 2022 (\$mm) [16]

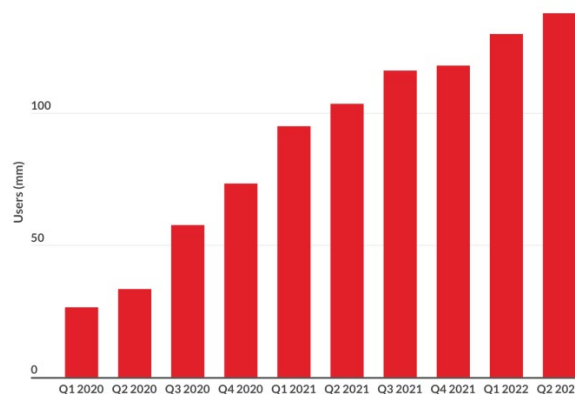


Figure 6 Disney Plus quarterly subscribers 2020 to 2022 (mm) [16]

3.2 Analysis of Consumer Behavior Characteristics

Walt Disney’s target market is 4-12 years old boys and girls. Disney’s primary market contained about 248 million kids in America in 2010(8.5% of the total population of America) [17]. Disney’s secondary target market includes men and women between 30-55 years old because they always need to create playing opportunities for their children. According to the historical records of his life and career, quality was an important issue to Walt Disney. Currently, the leaders still value quality as

important as before. Thus, the high quality of products and consumers of different ages help the company to build a good reputation. Also, the service is very important. There is a strong sense of interaction and experience with the characters in the park, and this industry can build a strong relationship with consumers. So, Walt Disney creates a perfect marketing strategy with the help of an effective communication strategy and a high-quality control strategy.

3.3 The Uniqueness of Walt Disney marketing

The Walt Disney Company is the leader in its industry with a mixture of demographic and psychographic segmental strategies. And children are their target group. This company can satisfy consumers' requirements and offer special services for different individuals.

Walt Disney's competitive advantages include a broad product portfolio, huge distribution, image, and creations. The company involved Four Strategic Business Units, including media networks, consumer products, interactive media, and parks [18].

Distribution strategy: The company can provide a platform for people that allows cooperation between all the businesses and get the maximum profits from them.

Brand asset: Based on the data, Walt Disney is one of the 8 most valuable brands in the world and has been valued at 67.42 billion in 2021(as the figure 6 shows) [19].

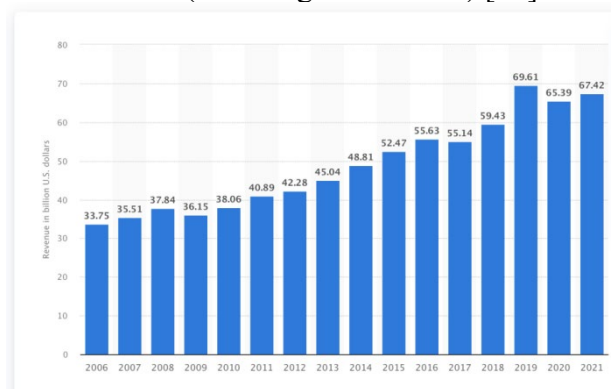


Figure 7. Global revenue of the Walt Disney Company in the fiscal (in billion US dollars)

3.3.1. Competition

Walt Disney competes with others in several fields, including television, electronic media, newspaper and magazines and so on. The revenue will be affected by the seasonality change. The competitor of Disney ranged from Comcast, Time Warner Inc., and CBS to Netflix.

3.3.2. Market Analysis

Rising income, migration of communities, and other factors will influence the market. The management of governments also can influence the market.

3.4 Problems with the Walt Disney industry

3.4.1. The Restaurant Menus

The restaurant menus in Disneyland are similar to other restaurants'. So, people who have lunch in Disneyland will have no special feeling, and the diets cannot impress consumers. The menus are smaller than before but more expensive.

3.4.2. The Same Merchandizes.

People always go to one place just because of the special products here. But now, the products from Disney can be bought in other places too. Thus, people will not spend money on tickets to buy some unique products [20].

3.4.3. High Price

Food, resorts, and tickets are more expensive than before. It is difficult for a common family to afford those things. The current price of tickets is one increase per day. The price of food and hotels

inside Disney is high too. Many people bring their food instead of enjoying lunch in Disney's restaurants. Also, because of the high price of the hotels, people are not willing to stay in the park for several days. Most of them just spend one whole day in Disneyland and will not buy extra tickets [21].

3.4.4. The Park's Capacity Is not Big Enough

With the development of society, more people can go outside to play and have fun with their families and friends. So, the population of consumers is increasing, and people are always full of the park, especially at weekends. Crowded places do not give people a good experience and feel. The first time they come to a crowded park, they are willing to go there again. As a result, the company must enlarge the parks to bring consumers better feelings.

4. Discussion

4.1 Adding Specialty Meals and Expanding the Kinds of Menus.

Food can always change people's moods and enhance people's sense of experiencing Disneyland. This way, people will be more willing to come to Disneyland next time. Disney is a world-spread brand, so the food must also face the food culture. Imagine such a scene: a consumer is in Disneyland in Shanghai. If the cafeteria in Shanghai Disney includes some food from other countries like America, Thailand, India, and Europe, the consumer will be willing to pay for the food. Also, the special menus can attract more local consumers who want to taste other countries' delicious food. So, the food needs different from people's daily food. This solution can attract more people and earn more profits.

4.2 Online Shopping

As most people know, the company always sells some dolls of famous characters like Lina Bell and Mickey. But many people can buy these things out of Disneyland, so they do not need to pay for the tickets to enter Disneyland. Thus, the Walt Disney company should protect its patent and avoid some resell behaviors that do not obey the relative rules. Thus, the company can get more profits from these special IPs.

4.3 About the High Price.

Have Not only the ticket price increased but also the price inside hotels and cafeterias. The high price may cause people will bring food to Disneyland, and they may spend one day inside Disneyland because they do not want to live in the Disney hotels. Thus, the Walt Disney Company should decrease the unreasonable high price. Or the company can take actions like a credits policy to discount the tickets to Disneyland or the food and hotels.

4.4 About the Capacity of Disneyland.

If Disneyland is always full of people, people will have a bad experience and never want to come here again, especially in the Summer and Winter. According to the research, Disneyland covers 500 acres when combining Disneyland and California Adventure. However, the area always cannot satisfy the requirement of a large number of consumers. Thus, the Walt Disney Company should pay money to expand the Disneyland area. Moreover, the Walt Disney Company's leaders can consider constructing Disneyland in other countries. Nowadays, the countries include Japan, America, France, and China. So, the company can build more Disneyland in other famous countries, so they do not need to go to other countries' Disneyland, and the population can be reduced [22].

4.5 About the Streaming Media----Disney+

Disney+, an online streaming platform, will be built around content from Disney's major entertainment properties, including Walt Disney Pictures, Walt Disney Animation Studios, Pixar Animation Studios, Marvel Studios, and Lucas film. The platform will operate alongside Hulu. The

platform offers access to Walt Disney Pictures Group productions, including Disney and Pixar animated films, Disney live-action films, Marvel Cinematic Universe films, Disney Nature documentaries, and more. In order to attract more consumers, Disney+ can add more special TV shows and more interaction with the superstar. Disney could buy unique, engaging TV shows or live music, preferably videos not available on other platforms, to get more people to subscribe to Disney+. As for communication with stars, he can open a platform to support fans to have conversations or videos with stars, which can attract many fans at home and abroad.

4.6 More Cooperation

With games: Many people, especially boys, like playing games, and with the development of games, the consumers of Disney are not only girls but also boys.

With famous people: Disneyland can always invite some idols, actors, and actresses like Justin Bieber, Taylor Swift, Billie Eilish, or TFBOYS and some other famous individuals to hold some activities in Disneyland. They can hold fan meetings or concerts. Thus, Disneyland can attract more consumers.

With new technology, like robots, some technology will be famous ten years later.

4.7 About Diminished Appeal

Disneyland should have more special and unique things than its competitors, such as fireworks and parades. They also can add some other unique activities like parties. These activities can connect with cultures from different regions because we need to attract consumers worldwide and many people are interested in learning about other countries' cultures, like rowing a dragon boat in China.

4.8 About Less Innovation

The Walt Disney Company takes IP creation as the core and starting point. Creating more high-quality IPs can help the company attract many consumers. But the Walt Disney Company's creation is less strong than before. So, investing the proper money in creating new IP is wise. Giving up some characters which are not famous properly. When people make a film or something others, they need to spend a lot of money and vigor on it. So, the company needs to save unnecessary expenses and invest more in well-known characters.

5. Conclusion

Walt Disney is one of the eight most valuable brands in the world. It is suffering from challenges, including COVID-19 and boss change. Due to COVID-19, the entertainment industries have slowed down the speed of development. However, it gives rise to the development of Disney+, an opportunity. Moreover, changing the leader to Bob Iger was successful since he promoted the development of Disney in every respect. For instance, he not only excels in using IPs to make money but also is good at exploiting Disneyland. To generate income, he increases Disneyland's ticket price. Walt Disney's target market is 4-12 years old boys and girls. Disney's primary market contained about 248 million kids in America in 2010, and Disney's secondary target market includes men and women between 30-55 years old. Therefore, it is sensible that Disney makes products relevant to key sales groups, such as all kinds of dolls and toys. Walt Disney competes with others, such as Netflix, which is only good at working as streaming media. However, Disney also has some problems: first, Disney lacks innovation; second, the restaurant menus in Disneyland are normal with no attractiveness; plus, the price of restaurants and hotels is unreasonably high. In addition, Disneyland is not large enough to accept too many people at one time.

This article successfully deals with the problems that have long been confused by many investors. Moreover, This article successfully deals with the problems many investors have long been confused about, eliminating their concerns and hesitation about whether they should invest in Disney. This is because through reading the report's analysis regarding Disney's business tactics and investment

value, the investors can primarily comprehend the firm's prospects and development planning. For instance, after reading this article, people can realize why Disney adopts its current strategy, what they obtain or lose, and what happens to its investment value. As a result, this report not only eliminates the confusion but also helps people make the decision.

The main limitation of this article is that too few primary resources are used, and more secondary resources are used after analyzing major financial websites. There is also the fact that in the current rapidly changing economic environment, the discussion and analysis in this article are limited to the author's opinion and do not guarantee the value of Disney's investment. In the future, we will conduct more research and surveys to search for primary resources directly on major websites and conduct more analysis on primary resources. Also, the analysis can still be more convincing and improved through more far-reaching learning.

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