

marketing SPOTLIGHT

Disney

Few companies have been able to connect with their audience as well as Disney has. Since its founding in 1923, the Disney brand has been synonymous with quality entertainment for the entire family. The company, originally founded by brothers Walt and Roy Disney, stretched the boundaries of entertainment during the 20th century to bring classic and memorable family entertainment around the world. Walt Disney once stated, "I am interested in entertaining people, in bringing pleasure, particularly laughter, to others, rather than being concerned with 'expressing' myself with obscure creative impressions." Beginning with simple black-and-white animated cartoons, the company grew into the worldwide phenomenon that today includes theme parks, feature films, television networks, theatre productions, consumer products, and a growing online presence.

In its first two decades, Walt Disney Productions was a struggling cartoon studio that introduced its most famous character, Mickey Mouse, to the world. Few believed in Disney's vision at the time, but the smashing success of cartoons with sound and the first-ever full-length animated film, *Snow White and the Seven Dwarfs*, in 1937, led to other animated classics throughout the 1940s, 1950s, and 1960s, including *Pinocchio*, *Bambi*, *Cinderella*, and *Peter Pan*, live action films such as *Mary Poppins* and *The Love Bug*, and television series like *Davy Crockett*.

When Walt Disney died in 1966, he was considered the best-known person in the world. Walt had expanded the Disney brand into film, television, consumer products, and Disneyland in southern California—its first theme park, where families could experience the magic of Disney in real life. After Walt's death, Roy Disney took over as CEO and realized his brother's dream of opening the 24,000-acre Walt Disney World theme park in Florida. Roy died in 1971, but the two brothers left behind a brand that stood for trust, fun, and entertainment and resonated with children, families, and adults, and some of the most moving and iconic characters, stories, and memories of all time.

The Walt Disney Company stumbled for several years without the leadership of its two founding brothers. It wasn't until the late 1980s that the company reconnected with its audience and restored trust and interest in the Disney brand. It all started with the release of *The Little Mermaid*, which turned an old fairy tale into a magical animated Broadway-style movie that won two Oscars. Between the late 1980s and 2000, Disney entered an era known as the Disney Renaissance, as it released ground-breaking animated films such as *Beauty and the Beast* (1991), *Aladdin* (1992), *The Lion King* (1994), *Toy Story* (with Pixar, 1995), and *Mulan* (1998). In addition, the company thought of creative new ways to target its core family-oriented consumers and expand into areas that would reach an older audience. Disney launched the Disney



Source: D. Hurst/Alamy Stock Photo

Channel, Touchstone Pictures, and Touchstone Television. The company made its classic films available on *The Disney Sunday Night Movie* and sold them on video at extremely low prices, reaching a whole new generation of children. Disney tapped into publishing, international theme parks, and theatrical productions that helped reach a variety of audiences around the world.

Today, Disney comprises four business units: (1) *Media Networks* encompasses a vast array of broadcast, cable, radio, publishing, and digital businesses across two divisions—the Disney/ABC Television Group and ESPN Inc. (2) *Parks, Experiences and Consumer Products* brings Disney's stories, characters, and franchises to life through parks and resorts, toys, apps, apparel, books, and stores. (3) *Studio Entertainment* brings movies, music, and stage plays to consumers around the world through the company's core business unit, The Walt Disney Studios, along with Marvel Studios, Pixar Animation Studios, and LucasFilm. (4) *The Direct-To-Consumer & International* division includes digital subscription streaming services and international holdings.

Disney's greatest challenge today is keeping its 90-year-old brand relevant and current, while retaining its core audience and staying true to its heritage and fundamental brand values. Disney's CEO Bob Iger explained, "As a brand that people seek out and trust, it opens doors to new platforms and markets, and hence to new consumers. When you deal with a company that has a great legacy, you deal with decisions and conflicts that arise from the clash of heritage versus innovation versus relevance. I'm a big believer in respect for heritage, but I'm also a big believer in the need to innovate and the need to balance that respect for heritage with a need to be relevant."

Internally, Disney has focused on the value-creation dynamic that sets it apart from its competitors. The *Disney Difference*, based on high standards of quality and recognition, stems from one of Walt Disney's most recognizable quotations: "Whatever you do, do it well. Do it so well that when people see you do it they will want to come back and see you do it again and they will want to bring others and show them how well you do what you do."

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Disney works hard to connect with its customers on a multitude of levels and through every single detail. For example, when visiting Disney World, employee “cast members” are trained to be “assertively friendly” and greet visitors by waving big Mickey Mouse hands, giving maps to adults and stickers to kids, and cleaning up the park so diligently that it’s difficult to find a piece of garbage anywhere. Every little magical detail matters to Disney, right down to the custodial workers who are trained by Disney’s animators to take their broom and bucket of water and quietly “paint” a Goofy or Mickey Mouse in water on the pavement. It’s a moment of magic for the guests that lasts just a minute before it evaporates in the hot sun.

With so many brands, characters, and businesses, Disney uses technology to ensure that a customer’s experience is consistent across every platform. Disney connects with its consumers in innovative ways through e-mail, blogs, and its website to provide insight into movie trailers, television clips, Broadway shows, and virtual theme park experiences. Disney was one of the first companies to begin regular podcasts of its television

shows and to release ongoing news about its products and interviews with Disney’s employees, staff, and park officials. The My Disney Experience app enables users to order food remotely from fast-food restaurants and pay in advance, allowing consumers to avoid lines when visiting Disney Parks and Resorts.

A key aspect of Disney’s business model and culture is adherence to high standards of corporate social responsibility. Disney is committed to always act ethically, create content and products responsibly, maintain respectful workplaces, invest in communities, and be good stewards of the environment. The company’s commitment to doing well by doing good has made it one of the world’s most admired companies.⁶²

Questions

1. How does Disney create value for its customers?
2. What are the core strengths of the Disney brand?
3. What are the risks and benefits of expanding the Disney brand to new products and services?