

A Study of Disney's Business Development

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Abstract. The establishment of The Walt Disney Company can be traced back to the year 1923, when two brothers, Walt and Roy O. Disney, founded a small animation studio that has further developed into a global media organization through strategic innovation, diversification, and expansion. The paper analyses the business development of Disney by looking into its historical background, diversification policies, globalization, digital transformation, and its social and environmental responsibilities. Through the acquisition of big studios like Pixar, Marvel, and Lucasfilm as well as the launch of Disney+ streaming service Disney has furthered the diversity of the entertainment offering as well as kept up with the needs of the digital age. The international theme parks and media networks owned by the company show their global influence and ability to adapt the local context through portraying different cultures. Disney's way of dealing with the sustainability and social responsibility is a solid proof of its environmental protection and community contributing. The COVID-19 pandemic, among other challenges, did not obstruct Disney's goal-oriented orientation and resourcefulness in achieving the desired outcomes. Thus, this study underlines the everlasting impact of Disney and its innovative approach for further development in a very dynamical sector of the entertainment industry.

1 Introduction

The Walt Disney Company initiated by Walt and Roy O. Disney in 1923 has experienced a dramatic development from a small animation studio to one of the largest entertainment companies. This distinctive evolution is taken up from solid business development with stress on technological innovation, diversification and worldwide expansion. Since its inception, Disney has managed to steadily conquer the changing horizons of the entertainment industry but has never strayed away from its core principles of magical stories and outstanding cinematic production standards. What makes Disney exceptional is the company's ability to adapt to the changing business dynamics, thus becoming not only number one in animation sector, but also in theme parks, movies, television, and digital platforms. The story of the Disney's business development demonstrates how it stays on top of the trends in consumer preferences and technological progress since its inception in the world of entertainments.

2 Historical overviews

The inception of Walt Disney Company into a humble studio, stemming from the creation of Mickey Mouse, took the company to greater heights following the success of the very first synchronized sound cartoon, "Steamboat Willie," in 1928 [1]. This crucial moment served as the starting point of Disney's takeover of the animation industry. This position was further

consolidated with the debut of Technicolor in "Flowers and Trees" and the groundbreaking release of "Snow White and the Seven Dwarfs", the first ever full-length animated movie, which Disney produced in 1937. This success story of Disney does not come easy as the venture into unknown territory did not stop there with the launching of the Disneyland in 1955, which served as a landmark move that was followed by the conceptualization of "The Mickey Mouse Club" on television the same year. This certainly gave people a clear idea about where Disney was on top of other companies regarding creating hit shows across multiple platforms.

3 Equations and mathematics

Disney's key elements in its broadening business and development have been the strategy for diversification and main acquisitions at strategic level. The acquisition of Pixar in 2006 did not only start a period of strategic diversity taking but also the power of property rights engine on the grounds of intellectual properties [2]. This decision not only necessitated the development of animation skills in Disney but also the market reach with fewer boundaries. Then, Disney targeted Marvel in 2009 and Lucasfilm in 2012 through acquisitions, which brought so many special characters and stories under the umbrella of the firm. Disney leveraged the synergies of several entertainment venues through these acquisitions, which also built up communities of fans, while linking the products.

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To build on the success, there was the purchase of 21st Century Fox in 2019, which greatly aided the amount of content and the distribution assets Disney possess. This acquisition focused less on content gathering and more on strategies which would guarantee Disney outdoing competitors in an industry whose outlook is unpredictable [3]. Besides, the company also initiated the Disney+ streaming service in the same year, marking the change in their distribution strategy to content. The recognition of the evolution from paper to digital content consumption influenced Disney+ focusing on the provision of services targeting the growing demands of online streaming. Disney+'s entry into the market has not only expanded the distribution outlets of Disney but even reshaped the relationship between Disney and customers by creating new media formats, keeping that iconic label among people's favorites in the digital era.

4 Global expansion

The well-known way in which global expansion of Disney is manifested is through a network of its international theme parks, which are the largest tangible evidence of its worldwide brand recognition and the proof of its strategic sense. With the establishment of the Tokyo Disneyland in 1983, it was a big step for Disney to take its businesses outside the American market setting the path for future international adventures. The expansion was not halted with the debuting of Disneyland Paris in 1992 [3]. Such resistance from cultural side though, did not discourage Disney to arrive with its quality modified products to fit to local culture and tradition. Besides strength of being visible around the whole world physically, these initiatives did not only magnify the reputation of the company as the leading one in the entertainment market, but also helped it to approach as many people as possible with its universal idea of universal fun tailored to fit different cultural conditions.

The development of Hong Kong Disneyland in 2005 and Shanghai Disney debuted in 2016 facilitated Disney's growth as it negotiated strong Asian markets [4]. This did not just mean that these parks were a mere replica of American counterparts but the fact that their local culture and traditions were carefully incorporated in their design, a move that displayed the localization approach of the Walt Disney World. The success of Disney was reiterated especially when it integrated regional elements into the parks' development process as well as in their operations [4]. This led to creations of culturally resonant experiences that were cherished not only by the local visitors but also by the international visitors as well. Therefore, the initial doubts were put to rest, and the fandom was built within the regions.

5 Media networks and broadcasting

In 1996, Disney changed the course of its business when it acquired ABC which was a milestone in its expansion of its business into media networks and broadcasting [5].

Consequently, this opened up opportunities for the company in the areas of television, radio and publishing thus boosting its visibility in the market. This acquisition served as an exceptional diversification venture which, in turn, significantly pushed the content distribution endeavor via ABC's wide net. It became a smooth integration of both ABC with Disney's extensive entertainment portfolio featuring ABC's enormous viewership base that featured Disney products and brands [5]. The fact that Disney Inc's content was aligned with ABC's broadcasting capabilities formed a holistic environment where Disney could market its theme parks, films, and merchandise to large numbers of people, creating more awareness and involvement for the brand. This move had two goals, on the one hand, it was broadening the media presence of Walt Disney, on the other hand, it was an important strategic attempt to create a synergy between television and radio broadcasting and narrating such as Walt Disney did in Walt Disney studios, making the magic around Disney be open for more people to enjoy.

In addition, the acquisition symbolized not only the company's foresight on the issue but also the rampantly changing media environment and its effect on content distribution. By teaming up with ABC, which had built a strong audience base through various television channels as well as radio stations, Disney obtained a direct way to reach American consumers and laid the foundation for later digital expansion [5]. The deal happened prior to the entry onto the scene of digital streaming which was capable of linking different generations. However, it left Disney well-positioned for the shift towards digital content that would become predominant in the entertainment industry in the subsequent years. This created a uniformed brand experience for Disney by channeling its stories and messages throughout a gigantic media, therefore, the Disney brand as a whole would sink deeper into the public psyche and the audience is likely to be more loyal to it. The collaboration between Disney and ABC has thus empowered Disney to introduce more content across ABC's platforms, which has promoted ABC's penetration within the market, allowing for more strategic and targeted marketing efforts that have utilized the demographic insights and analytics from ABC [5].

6 Digital transformation

The fact that Disney is a leader on the market of video streaming is the proof that the company knows to change the way people consume media with a fast pace. In the digital streaming age where the emergence of multiple platforms, Disney+ has advantageous position by use of the ever-famous props and narratives from the company. The determinedness to maintain the flawless delivery of entertainment content by Disney is not solely based on technology developments that are powered by investments to enhance the platform's user experience, but also content rich features that prompt the users to engage with the platform [4]. Apart from just streaming, the Disney+ streaming platform is a necessary step in the

digital transformation strategy of the whole company. It is also an element that integrates into other business units creating a cohesive and a consistent brand experience.

Additionally, the Walt Disney Company's digital evolution is not only limited to its streaming arena, but it seeps into the guest experience within its theme parks. Through the use of augmented reality (AR) cameras and mobile apps, Disney has reset theme park entertainment possibilities as visitors can now engage with a personalized and interactive environment and forget about technical matters [6]. These innovations help on the operational efficiency and guest satisfaction, and at the same time they create unique unforgettable experiences for the visitors that confirm the position of Disney as a leader of entertainment in the market. As an example, the presence of mobile apps for live park maneuvering, virtual standing in line, and personalized advice demonstrates ways in which digital technology can enhance the physical space as a set for the amusement theme park.

The implementation of augmented reality (AR) in Disney parks is not merely a sign of the leadership of Disney in the digital revolution but is representative of the pioneering amalgamation of the physical environments and the digital content. AR technology is of great value as it brings an unprecedented level of immersion, and Disney's creations can now be narrated creatively, fusing traditional storytelling forms with the innovative use of new technologies [6]. The mutual integration of digital technology and the real world environment of the theme parks creates highly personalized experiences and makes visitors appreciate more memorable moments. It highlights Disney's technical skill in combining innovative technologies with classic storytelling elements that ensure the exceptionality of the experience.

Moreover, incorporating of AR technology with strategy shows Disney's dedication to blending professional competence with their ancient tradition. Through the addition of a virtual dimension to the physical environment of its parks by Digital overlays, Disney presents a smoothly interactive domain between the virtual and physical worlds. It is also a testimony of the company's ability to remain a forerunner in the field of entertainment, as well as by continuing to be true to its values along with the belief that Disney is truly magical [6]. Such innovations keep Disney abreast of the constant changing technology as well as appealing to different generations leading to the expansion of its boundaries as the leading company in the entertainment industry.

7 Sustainability and social responsibility

The involvement of Disney in sustainability and social responsibility echoes the strategic positioning of the company in terms of its business development approach as it sees the need to commit to environmental

stewardship and community engagement in order to ensure a sustainable future of its brand and the longevity of its operations. This dedication is exalted through a number of major initiatives that reduce environmental impacts, promote conservation and provide positive contribution to communities from all over the world [7].

While Disney is well known for its entertainment, at its core, its sustainability objective is to achieve net-zero emissions across its global operations is its net-zero greenhouse gas emissions aim. This measure is one of those, besides the improvements in renewable energy sources, waste reduction methods, and water conservation measures that shape the overall environmental strategy. One of the examples is that Disney utilizes the advanced technologies to decrease the amount of water consumed in its theme parks, resorts and also the nature conservation takes an active part in reforestation and protection of the wildlife habitats throughout the world [7]. Moreover, Disney increases its responsibility to society and the world by embracing a diverse, equitable and inclusive workforce, content, and community projects. Disney strives to build a culture that celebrates and values all types of differences and gives a uniform acceptance to the stories, operations, and leadership issues it deals with. This dedication is clearly demonstrated in its diverse casting in film and TV productions, assembly line support for ethnic-owned business, and other schemes aimed at empowering people of color.

Sustainability and social responsibility are not only must-have elements of the strategic plan of Disney but also adopting it as part of corporate identity corresponds with heightening ethical consumerism[8]. Research indicate that more people are selecting, those companies, which reveal their dedication to the social and environmental improvement. Thus Disney also see the positive developments of its strategic direction to these initiatives. The fact that Disney has not been slow to take the role of a sustainable and socially responsible company is clear. The company has been the recipient of several awards for its environmental efforts, among them the Environmental Protection Agency's waste reduction prize [8].

Moreover, by infusing sustainability and social responsibility into their business development strategy, Disney indicates the new direction the company is taking in order to address the ever changing market expectations of customers, shareholders and the society in general [8]. Through focusing on putting the environmental protection first and working with the communities and social equity Disney is not only building consumers' trust but also making sure that the company's business is sustainable. The pursuit of environmental responsibility and social responsibility in Disney's strategic decision making is one of the evidences to the company's commitment to creating a positive impact beyond mere entertainment; and, Disney walks the talk on its slogan that good business is the one that strikes balance between profitability and the betterment of the society.

8 Challenges and opportunities

The COVID-19 pandemic presented the company with an unseen range of challenges, specifically in relation to theme parks' attendance and movie releases. The collective closure of the parks and the very restricting social distancing measures placed a big burden on the expanded operation of the company, and though many parks were closed temporarily around the globe, several films were either postponed or cancelled altogether [9]. However, it cannot be denied that Disney had skillfully showcased strategic leanness in the way it handled responding to these challenges. One significant part of this response was focused on maximizing digital streaming as the main medium achieved through developing Disney+ and its heavier promotion. Being not up against competition in the cinema sector allowed Disney to ameliorate the losses in the other categories and enabled them make use of the growing home entertainment demand.

Moreover, confronted with the Covid-19 crisis, Disney innovatively redesigned its theme park operation using cutting-edge approaches that not only assures public safe guard but also operational convenience. The business implemented advanced health and safety provisions with the knowledge that they lay the groundwork for the guest's safety. To carry out each of these measures, Disney began with a system whereby it required all visitors to reserve a time slot before coming to the park. In this way, the number of visitors at any given time could be adequately controlled, ensuring that social distancing guidelines were observed. Furthermore, a lot of digital technologies came to the rescue during the pandemic, consequently the spaces that required physical encounters were now obsolete. To handle public health priorities, the digital technologies were rightly embraced. Digital solutions like mobile food ordering, virtual waiting points for attractions, and online hotel check-ins were incorporated into operations, introducing efficiency and convenience[10]. Besides these strategic adjustments, the gradual reopening of Disney's parks has been greatly helped by the company's willingness to take safety and adaptations seriously which has shown that it is not unprepared for difficult times. With the health and safety of its guests and employees at its core, Disney manifested its ability to meet operational challenges of sophistication and parity.

Looking forward to the future, Disney is well-positioned to negotiate the ever-changing demand of consumers as well as the highly competitive streaming market. The company's persistent investments in technological innovations ranging from augmented reality (AR), virtual reality (VR) and artificial intelligence (AI) are opening doors to tremendous growth [6]. Through the use of these technologies, the company will succeed in the provision of more entertaining and interactive offerings which can be implemented in the digital space and physical theme parks. Besides, the extension of its presence to developing regions identifies more growth opportunities, while the company is undergoing a process of changing

its materials and means of distribution to meet the tastes and needs of the international audience [6].

As more and more audiences require more immersive and interactive platforms and not only online but also in real life spaces, Disney's investment positions it right in the middle of the transformation wave. Through the use of these innovative technologies, Disney raises the standard in the industry, thus ensuring the company remains and is successful in the global market. The fact that Disney is well aware of the need to innovate helps them to maneuver through the complexities of market dynamics with ease paving their way to success and hold on to the plant leading position. Disney suggests in its action that there is a proactive and not a reactive stance in front of the technological challenges and opportunities, strengthening its role as a leader in the entertainment sector. By means of constant innovation, Disney not only accommodates but also foresees the direction of entertainment, and therefore is always one step ahead of the competition in the spheres of evolving consumers' preferences and technological environment.

9 Conclusion

The Walt Disney Company's evolution from a small animation studio to a vast entertainment giant in about a century demonstrates a strategic competence in innovating, diversifying, and transforming to new market landscapes. Disney established such a global spread by mergers, international expansion mainly through the creation of national digital platforms. The company has even advanced its cultural and marketing influence among various groups of customers. The reality set in when the Disney's streaming service was started and integration of modern technology during this process shows how Disney is committed to implementing new technologies and seeking ways of being ahead of the digital transformation. Apart from that, the commitment to sustainability and corporate social responsibility implies a strategic way to the future that goes in parallel with the modern values of society. Although it was faced with new threats inherent in the COVID-19 pandemic, the adaptability and tactical fortitude of Disney has enabled it to keep its head above water and in the eye of the storm at the same time, putting it on the course for future growth. With Disney constantly figuring out what to do to be in tune with the latest technologies and shifting consumer preferences, its timeless narrative, artistic nature and ingenuity operating within strategic innovation is going to ensure a successful era of entertainment within the company. Thus, a journey of growth, resilience as well as unwavering dedication to delivering magical experiences that ensure that the company's legacy continues to enchant future generations is underscored by Disney's enduring legacy and ongoing revolution. As it goes on evolving, its commitment to be the best at what it does, coupled with strategic innovations will result in it shaping the future of entertainment.

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