

Marketing Fundamentals

Processes and stages of marketing
including the role of the marketing mix
for the Walt Disney company

Assessment 1

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Nowadays companies rely heavily on their name and brand to be able to keep their loyal customers by their side and to have people always coming back to them for more. A big part of the process of a recognised company is their marketing and its adaptability over the course of time. In this essay, I shall be focusing on what marketing and its processes are, how that relates to the company of my choosing (Walt Disney), and would make an analysis of the company's marketing strategies in the hopes to understand why it has become one of the world's leading companies.

Before we begin to look at the marketing processes and the specifics of the company, we need to first define what marketing is. In order to do that, let us turn to the "Father of Marketing" – Philip Kotler. In the latest edition of "Principles of Marketing" Kotler defines marketing as "the process by which companies engage customers, build strong customer relationships, and create customer value in order to capture value from customers in return." (Kotler, 2017). We can make the observation that we have now moved away from the idea of Marketing simply being about the "telling and selling" and we've moved more in the direction of it being more towards satisfying the customer's needs, involving "building profitable, value-laden exchange relationships with customers." (Kotler, 2017)

With marketing defined let us turn our attention towards the marketing process and how it relates to the Walt Disney company. The process consists of 5 main steps broken down further by their individual specifications (Appendix 1) and it includes:

1. Mission – which includes a mission statement and the company's objectives
2. Situation Analysis – which deals with the different type of analyses within a company (Porter's 5 forces, SWOT, PESTLE, 5C)
3. Marketing Strategy/Planning – which deals with the target audience, goals and budget of the company
4. Marketing Mix – which includes the 4 or 7 P's
5. Implementation and Control – which puts the company's marketing plan into action and monitors the results of said plan

(Weller, 2017)

Let us follow the aforementioned steps and see how that relates to the Walt Disney Company. We won't be focusing too much on implementation and control (as other than the four types of control mechanisms, budgetary, financial, management audit, bureaucratic, we don't have much information regarding Disney's Implementation and control)

Firstly, we will focus on its mission statement and corporate objectives. The company is very straightforward with its current mission statement, which is:

"To entertain, inform and inspire people around the globe through the power of unparalleled storytelling, reflecting the iconic brands, creative minds and innovative technologies that make ours the world's premier entertainment company." (Disney, 2021)

The statement has not changed much since the inception of the company that began their success with the use of animation as its storytelling medium, bringing pleasure and educating people of every age all around the world. Its statement also closely relates to Kotler's definition of marketing as Disney's engagement with and creating value for their customers is unrivalled.

Secondly, we will redirect our attention to the internal analyses of the Disney company. For the purposes of this essay I will be doing PESTLE and SWOT analyses of the company as I believe that they encapsulate Disney as whole best.

CIPD's Mike Morrison defines the PESTLE analysis as "a framework to analyse the key factors (Political, Economic, Sociological, Technological, Legal and Environmental) influencing an organisation from the outside." (Morrison, 2020) It bestows on to companies an insight into the external factors affecting the company and due to its flexibility, the analysis can be used for a variety of different scenarios. When applying the analysis to the Walt Disney Company, using the research of the Fern For University we find the following:

1. Political Factors – These are probably some of the most important factors for the long-term profitability in some countries and markets of a company with a global reach such a Disney. Being in the entertainment industry Disney has to cater to a lot of different political environments and systems, and to be successful in doing that means to "diversify the systematic risks of political environment".
2. Economic – The overall investment in an economy is tightly based around the rates of inflation, savings interest, foreign exchange and the economic cycle, all of which are

considered macro factors. The micro factors tend to be much looser, as they have mainly to do with competition norms, which "impact the competitive advantage of the firm." Using these factors Disney might be able to forecast the growth trajectory of the organisation and the entertainment sector.

3. Social – The beliefs, culture and attitudes of society shape the consumers' opinions and loyalty to a company. Disney must be careful with how relevant and inclusive they stay and how they design their marketing message for the consumers of the entertainment industry.
4. Technological – The most loose type of factors as technology all around the world is ever-changing. For a company to stay on top or even afloat it needs to constantly adapt to the external technological factors and advancements.
5. Legal Factors – The biggest threat to consider in this category would be the rights of protection of intellectual property that certain countries do and do not possess. As such, the legal framework needs to be carefully evaluated before the company enters in a deal with such markets.
6. Environmental – Environmental and liability laws as well as environmental standards and norms are also a very good predictor of profitability within those different international markets.

Examples of all the above factors can be found in Appendix 2 below.

Now that we have discussed Disney's PESTLE factors and their favourability to the company, we will take a look at a SWOT analysis for the company. That would include its internal

1. Strengths:
 - Its recognisable brand – Disney has become a household name both in entertainment and in the world as a whole. The role models which the company provides to young people ensures their return as loyal consumers in years to come
 - Its Spread around the world – with its 11 theme parks around the world and the translation of its products in 46 languages Disney has established itself as one of the global leaders in entertainment

- Its Diversification – In order to Cater to different consumers' needs, Disney acquires other companies and services (ESPN, Freeform, Marvel, Star Wars, etc.)

2. Weaknesses:

- Its products and services are of high-cost – Of course people like to pay for the name of Disney, however within reason. The theme parks are infamous for how expensive they are and most of their other products including the cable channels come at quite the expense
- Its dependency on seasons – with amusement parks and media networks affected by seasonality – the company has to work harder over the quiet periods to retain its loyal customers
- The “Disney-isation” – being so omnipresent as company, and infiltrating almost all aspect of life, it is impossible to not have any negative connotations attributed to the company in regards to its customer relations

And external

3. Opportunities

- Acquisition as a method of diversification – since 2019, the companies that were added to the vast library of Disney include 21st Century Fox and National Geographic (and their vast libraries of content). The chosen path of acquisition guarantees interests from both children and adults.
- Rights to existing and continuing Franchises – this encapsulates plenty of pre-existing fan bases that are now part of the Disney family – Franchises like the X-Men, Star Wars, Indiana Jones, etc.
- Ideal for the media consumption in children – with the current findings that young children spend around 11 hours per day glued to different devices, Disney has the ideal opportunity to create a whole new generation of loyal customers

4. Threats

- The possible begging of an anti-technology movement – yes, it works both as an opportunity and a threat, however due to the 11 hour findings mentioned above, plenty of parents usher their children to and play outside, which could be a backfire for the company and its potential young followers.

- The changes in laws and regulations when it comes to media consumption – an ongoing and developing threat which could very well reduce Disney's profits and provide restrictions on expanding into new markets.
- Streaming competition – although Disney+ grows quickly in popularity, it is still below the familiar names in the streaming services like Amazon Prime and Netflix (Entertainment Strategy Guy, 2020)

Before moving on to the marketing mix, I want to briefly mention step three – Target Audience, Goals and Budget. Many people have the misconception that Disney is purely for children, however Disney seems to appeal to Children and adults alike with all of their range of products and services. Walt Disney himself famously stated: “You're dead if you aim only for kids. Adults are only kids grown up, anyway”. Disney's goals, as stated by the CO's of the company are to “reduce their impact on the nature and how much fuel and waste they use and produce”. The goals include

- Zero waste
- Zero net direct greenhouse gas emissions from fuels
- Reduce indirect greenhouse gas emissions from electricity consumption
- Net positive impact on ecosystems
- Minimize water use
- Minimize product footprint
- Inform, empower and activate positive action for the environment

(Disney, 2021)

As Disney's budget is in the tens of billions I believe the best way to illustrate it would be through graphs (Appendix 3 & Appendix 4)

Finally, let us look at step four – the Marketing Mix. It is defined by The Economic Times as a “set of actions, or tactics, that a company uses to promote its brand or product in the market.” (Economic times, 2019) It typically includes what is known as the 4P's (price, product, place and promotion), however nowadays it is also known as the 7P's (also including people, process and physical evidence). For the Disney company the mix applies thusly:

1. Product – Disney has three main products:
 - The production company that deals with all the movies (animated or live action)
 - Disneyland – known to be one of the most profitable theme parks.

- The Disney store – selling the hundreds of thousands of Disney’s merchandise (toys, clothes and accessories)
2. Price – Although we spoke of its relatively high price above, the company and its theme parks still manage to be accessible for many people for more than once. Therefore, we can safely say that Disney aims more towards the Middle Class of the population.
 3. Place – although the company itself is based in Burbank, California, Disney’s theme parks are situated all around 11 countries and with the accessibility to Disney+, everyone can be a part of the mouse family.
 4. Promotions – The company’s promotion is predominantly holistic and the brand sells itself. The films are promoted on various media, the merchandise in various retail stores and Disneyland sells itself
 5. People – Disney has its own university in which it teaches its employees of the company’s values and culture. The employees are known to be some of the politest and inclined towards the many customers of the company.
 6. Process – The company ensure that “its products are always available at retail stores.” (Addison 2019) Disney is also “actively involved in researching market opportunities in order to understand customer needs. It also develops understanding regarding customer needs through feedback collected at store, its helpline or social media pages.” (Addison 2019)
 7. Physical Evidence – The company’s truthfulness and commitment to its taglines
 - “Where the magic begins”
 - “Where dreams come true”
 - “The happiest place on earth”

Also its early revenue in the Appendixes below, and the billions of happy and satisfied customers waiting for the next step that the company makes and the next product it releases.

In conclusion, and after evaluating the Walt Disney Company via various methods and analysis, we can easily understand as to why it has become the giant of a company that it is. The constant happiness and satisfaction with which it provides its customers, not only domestically, but all around the world is proof enough if Disney’s undying commitment to its customers and their present and future happiness.

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Appendix 1

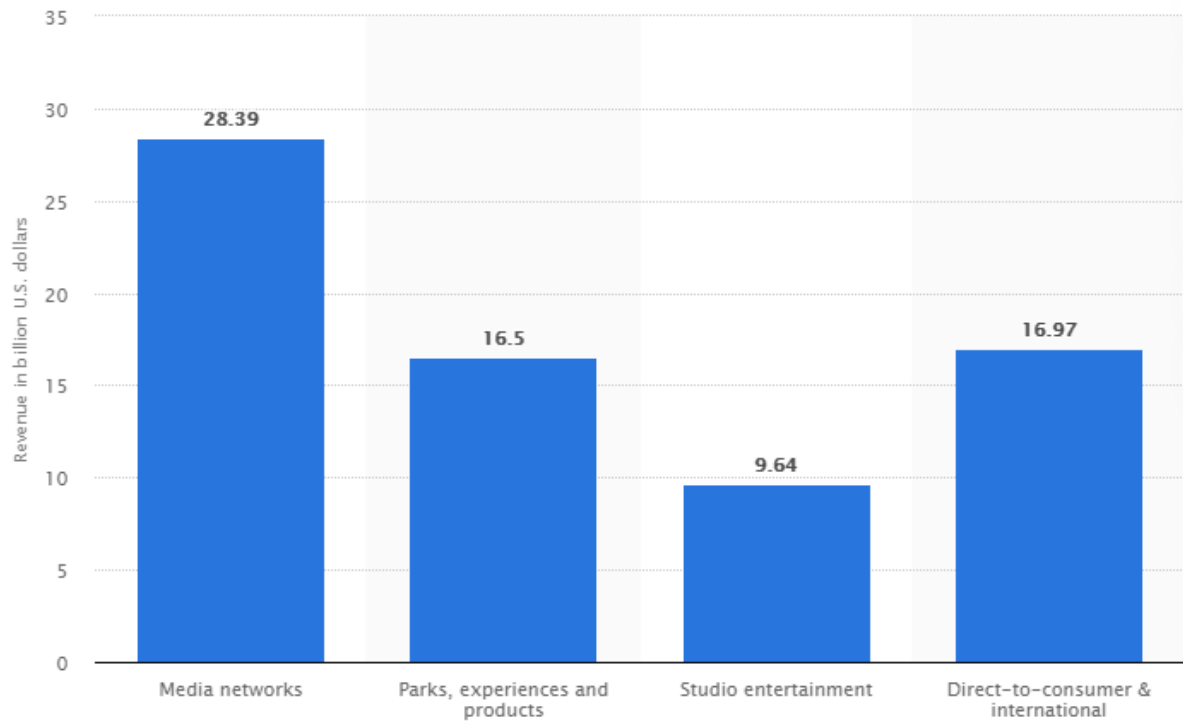


Appendix2

Political	• Legal framework for contract enforcement • Intellectual property protection • Trade regulations & tariffs related to Services • Pricing regulations • Taxation - tax rates and incentives • Industrial safety regulations in the Services sector.
Economic	• Type of economic system in countries of operation • Exchange rates & stability of host country currency. • Efficiency of financial markets • Infrastructure quality in Entertainment - Diversified industry • Comparative advantages of host country and Services sector in the particular country.
Social	• Demographics and skill level of the population • Class structure, hierarchy and power structure in the society. • Culture (gender roles, social conventions etc.) • Attitudes (health, environmental consciousness, etc.)

Technological	• Rate of technological diffusion • Recent technological developments by The Walt Disney Company competitors • Technology's impact on product offering
Legal	• Data Protection • Anti-trust law in Entertainment - Diversified industry and overall in the country. • Discrimination law • Copyright, patents / Intellectual property law • Consumer protection and e-commerce • Employment law • Health and safety law
Environmental	• Weather • Climate change • Laws regulating environment pollution • Recycling • Waste management in Services sector

Appendix 3



Appendix 4

