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1. Introduction

Digitisation, changing tastes and preferences as well as increased access to the internet have led to the rapid expansion of the global streaming industry. Netflix and Disney+ are the platforms that have radically changed the mechanisms through which viewers can gain access to entertainment, which has led to a shift of traditional broadcasting into the form of on-demand viewing (Chalaby, 2024).



Figure 1: Netflix vs Disney+ Streaming Platforms Logo

Netflix has long been recognised as an innovative organisation in the streaming industry, and Disney+ entered the market not as a leader, but as a follower, with its vast existing content base. This report attempts to critically evaluate how these firms have been affected by the macro-environmental factors and how they have responded to their strategic responses. Task1 is aimed at outside factors, and Task2 looks at strategic ways to maintain a competitive edge.

2. Overview of Organisations & Industry Context

Started in 1997, Netflix has grown to become one of the largest streaming platforms worldwide, pioneering subscription-based video-on-demand models and algorithms-driven content developments (Cui, 2024). Conversely, Disney+, which was introduced in

2019, was a follower which used the strong intellectual property of the company such as Marvel and Star Wars in its competition (Kumar, 2025).

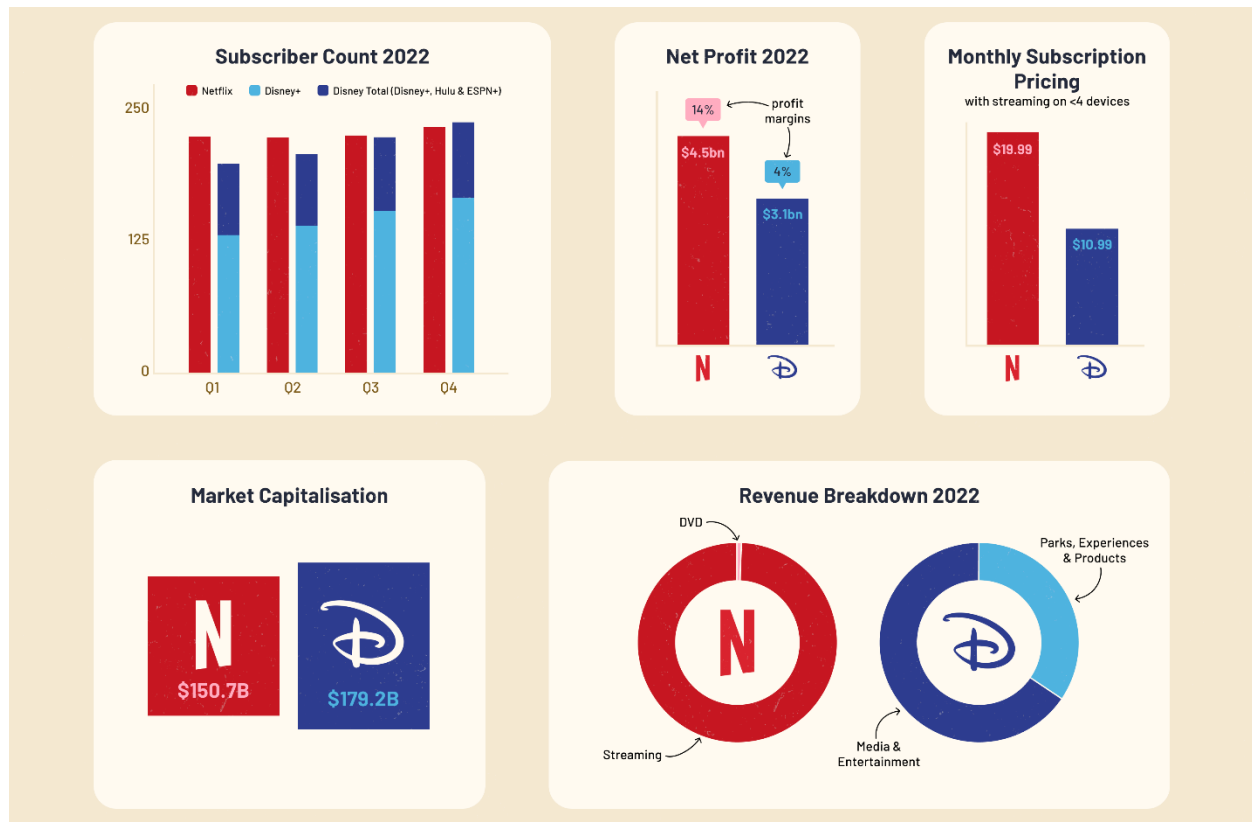


Figure 2: Netflix vs Disney+ Performance Statistics Infographic (2022)

High competition, high level of technological advancement, and expansion of markets across the world define the streaming industry. The companies are using sophisticated algorithms, original content, and subscriptions to get and keep users (Kapliar, 2025). Theoretically, Netflix has benefited through first-mover advantage, gaining dominance of the market early and entering the market with a well-known brand, and Disney+ has maintained a late-entrant approach and advantage as a differentiating force through exclusive content and competitive prices (Khalis, 2025). This dynamic is an example of how pioneer and follower strategies shape up the competitive positioning in the streaming market.

3. TASK 1: Macro Environmental Analysis

3.1 Macro Environment in Marketing (PESTLE Overview)

The macro marketing environment refers to the external factors that have an impact on the performance of the organisations but are not under the control of the managers. These forces are normally analysed using PESTLE framework, which includes political, economic, sociocultural, technological, legal and environmental aspects. These aspects have a significant impact on the strategic decision-making process, consumer demand interplay, and positioning in the streaming industry (Chalaby, 2024).

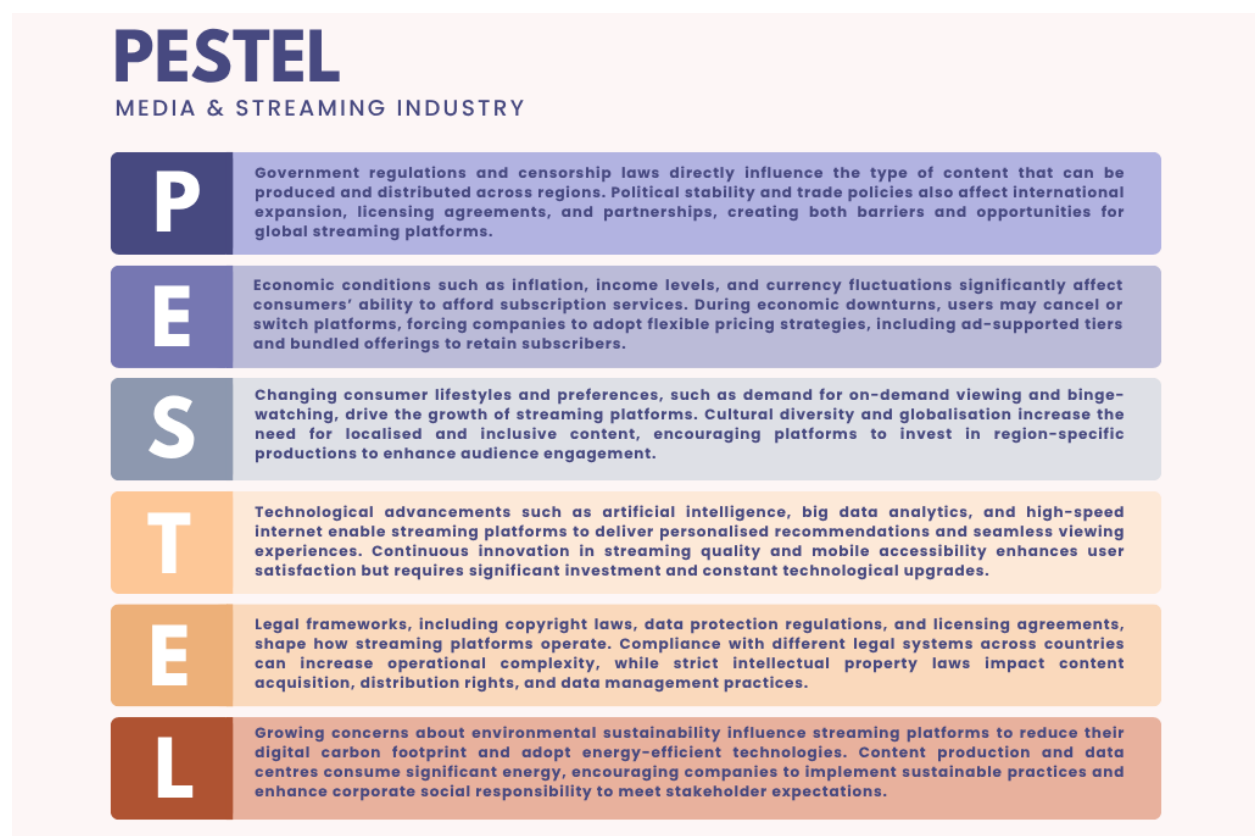


Figure 3: PESTLE Analysis for Media & Streaming Industry

The report explores technological and socio-cultural aspects as the major driving forces of change in the OTT industry (Badr et al., 2024). The socio-cultural changes have a direct effect on the consumers viewing habits and contents of their preference, and the functionality and content delivery mechanisms are supported by technological advancements. The two factors have great relevance when it comes to understanding

Netflix and Disney+ dynamics in terms of growth, competitive interactions and strategic development.

3.2 Macro Factor 1: Technological Environment

The technological environment has a critical impact on the streaming industry, the processes of which are driven by advances in artificial intelligence (AI), big data analytics, and broadband infrastructure. Social media and online platforms are based more on information-driven algorithms to personalize content, better the user experience, and make the content more interactive (Arshad et al., 2025). Moreover, the new technologies, including cloud computing and adaptive streaming, can be used to enhance the flow of content to various devices without problems (Khalis, 2025).

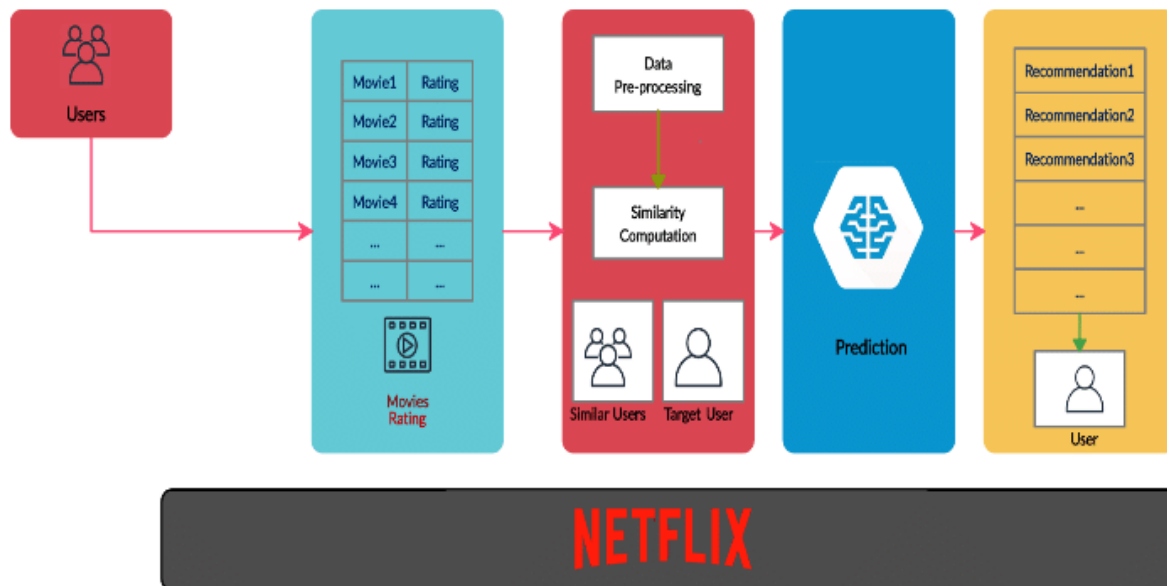


Figure 4: Netflix AI-Based Content Personalization Workflow

In the case of Netflix, technological advancements are significant opportunities. Being an industry leader, the company has already invested heavily in AI-based recommendation systems, which use user data to suggest content in the most personalized way. This has increased user retention and increased viewing time, thus giving it a strong competitive edge (Cui, 2024). Also, the initial use of the streaming technologies by Netflix enabled the scaling of the company globally and enabled the company to remain a leader in terms of innovations. Nevertheless, dependency on technology also comes with its weaknesses

such as increased spending on infrastructure, and increased competition with other companies that have adopted similar technology (Lusiana et al., 2025).

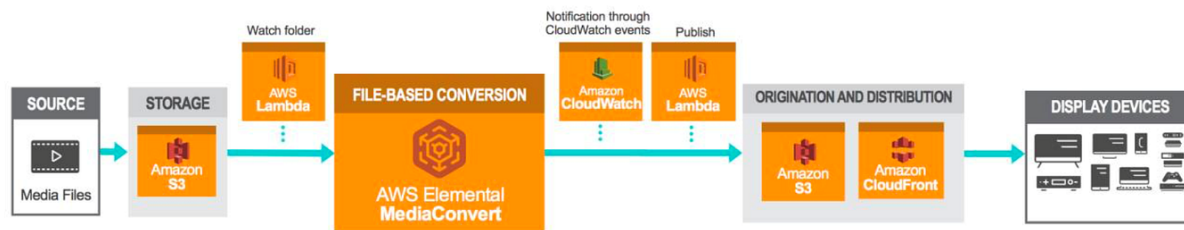


Figure 5: Disney+ Proven Technology Adoption Strategy

Being a follower, Disney+ is in a better position to enjoy the advantages of the adoption of proven technologies that does not necessarily come with a similar initial investment risk. The platform implements a high-quality streaming platform and incorporates data analytics to boost the user experience. However, compared to Netflix, Disney+ has a lower level of sophistication in algorithmic personalisation, which can limit its ability to maximize user engagement (Luo, 2024). More so, Disney+ is facing challenges of keeping pace with the ongoing technological improvement led by its competitors.

With regards to competitive positioning, Netflix has a leadership in the area of innovation by making a continuous investment on technology and platform expansion. Conversely, Disney+ follows an adaptation strategy, which utilizes the existing technologies but focuses on content forces (Lusiana et al., 2025; Benson et al., 2025). This trend fosters the emergence of a technological disparity, as Netflix achieves the leadership in terms of user experience and data utilisation, but Disney+ is striving to be relevant in competitive conditions, combining appropriate technological resources with strong brands.

3.3 Macro Factor 2: Socio-Cultural Environment

The socio-cultural forces have a huge impact on the streaming industry particularly in the background of changing lifestyles, tastes and watching patterns of consumers. The emergence of on-demand entertainment has reorganized traditional media consumption habits, where the audience gradually chooses to be more flexible and convenient instead of following the programmed broadcasting (Kapliar, 2025). Such practices as binge-

watching and multiple-bandwidth use have turned into a common feature, reflecting the changing needs of the consumers (Cha et al., 2024).

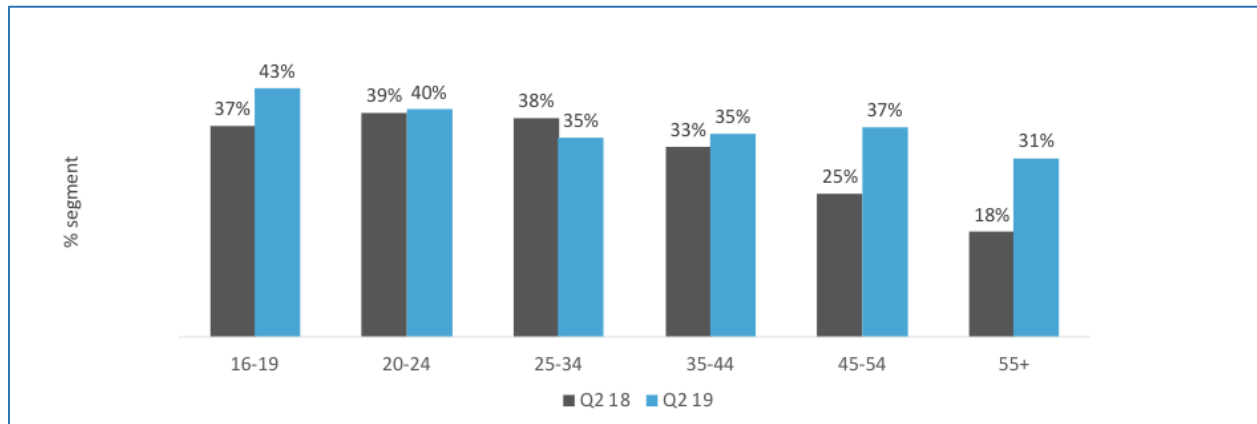


Figure 6: Binge-Watching Behaviour Trends Across Age Groups in the UK

In the case of Netflix, there are significant opportunities in these socio-cultural changes. The platform has managed to capitalize on international need of different and localized content by creating area-specific shows like the Money Heist and Sacred Games. This will increase the worldwide viewership and will help to promote the market (Tambini, 2025). Moreover, Netflix has the ability to support the multi-cultural preferences which contributes to its global positioning as an entertainment platform. However, the necessity of creating culturally relevant content on a continuous basis increases the cost of production and increases competition levels.

Display Language

Would you like to change the language of the text you see on Netflix?

☐ Bahasa Indonesia	☐ Italiano	☐ Svenska
☐ Bahasa Melayu	☐ Magyar	☐ Tiếng Việt
☐ Dansk	☐ Nederlands	☐ Türkçe
☐ Deutsch	☐ Norsk Bokmål	☐ Čeština
☒ English	☐ Polski	☐ Ελληνικά
☐ Español	☐ Português	☐ Русский
☐ Français	☐ Română	☐ Українська
☐ Hrvatski	☐ Suomi	☐ עברית

Figure 7: Netflix Multilingual Interface Supporting Global Content Localisation

On the contrary, Disney+ capitalizes on a significant level of socio-cultural popularity with a well-established franchise ecosystem of Marvel, Pixar and Star Wars. These globally known brands create a strong emotional connection with the people, thus strengthening the customer loyalty and triggering subscription upgrades (Kumar, 2025). A major drawback of Disney + is its reliance largely on existing intellectual property and thus a limited ability to diversify content as compared to the larger portfolio of Netflix. In addition, the changing consumer preference towards original and heterogeneous content might pose a major challenge to Disney Plus viability in long term (Srivastava et al., 2025).



Figure 8: Disney+ Content Ecosystem Leveraging Major Entertainment Franchises

Conversely, Netflix adopts a diversification plan and localisation method to suit the socio-cultural trends using the worldwide environment, whereas Disney+ focuses on branded

experiences via familiar content. The implications of the findings are contradictory competitive advantages: Netflix experiences a more extensive international penetration and increased flexibility, and Disney Plus gains strong dedication within a limited variety of audiences (Zheng et al., 2026; Calingal et al., 2025). To conclude, Netflix has a solid position based on socio-cultural determinants, and Disney+ can maintain its competitive edge by having a strong content ecosystem.

4. TASK 2: Strategic Response & Evaluation

4.1 Strategic Responses of Netflix

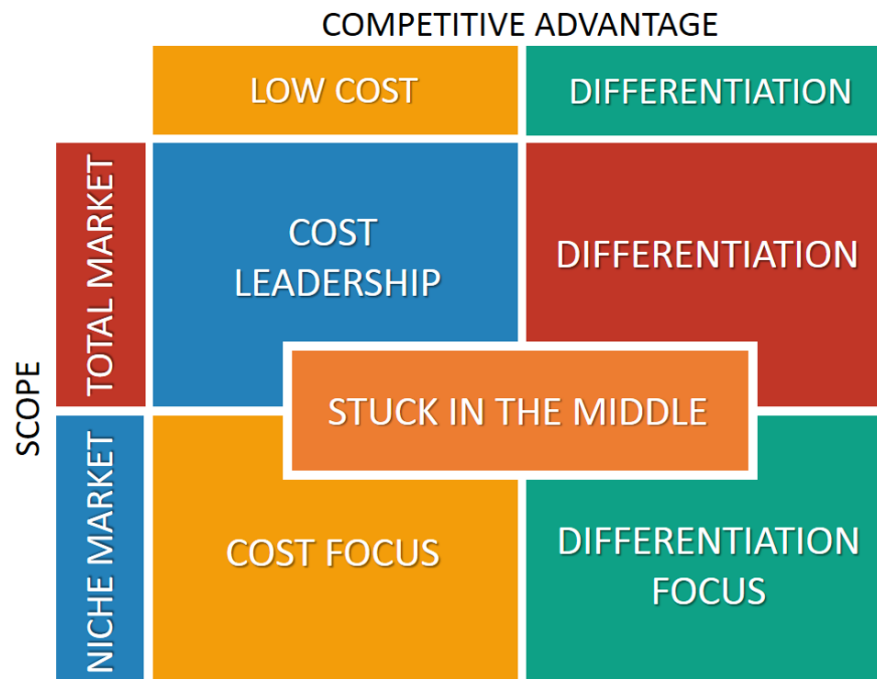


Figure 9: Porter's Generic Strategies Model

Netflix has established a proactive strategic reaction to the macro-environmental changes especially those relating to technological and socio-cultural changes through execution of a strong differentiation strategy in line with Porters Generic Strategies. The company stands out by offering premium original content, advanced personalization models and streamlined user experience (Srivastava et al., 2025). This approach enables Netflix to create unique value propositions to its customers, thus reducing their price sensitivity and

enhancing brand loyalty (Cui 2024). As an example, Netflix also spends millions of dollars in its original content slate yearly, with examples of such projects as *Stranger Things* and *The Crown* that attract global audiences and thus provide the company with the competitive advantage in the industry (Jhala, 2026).

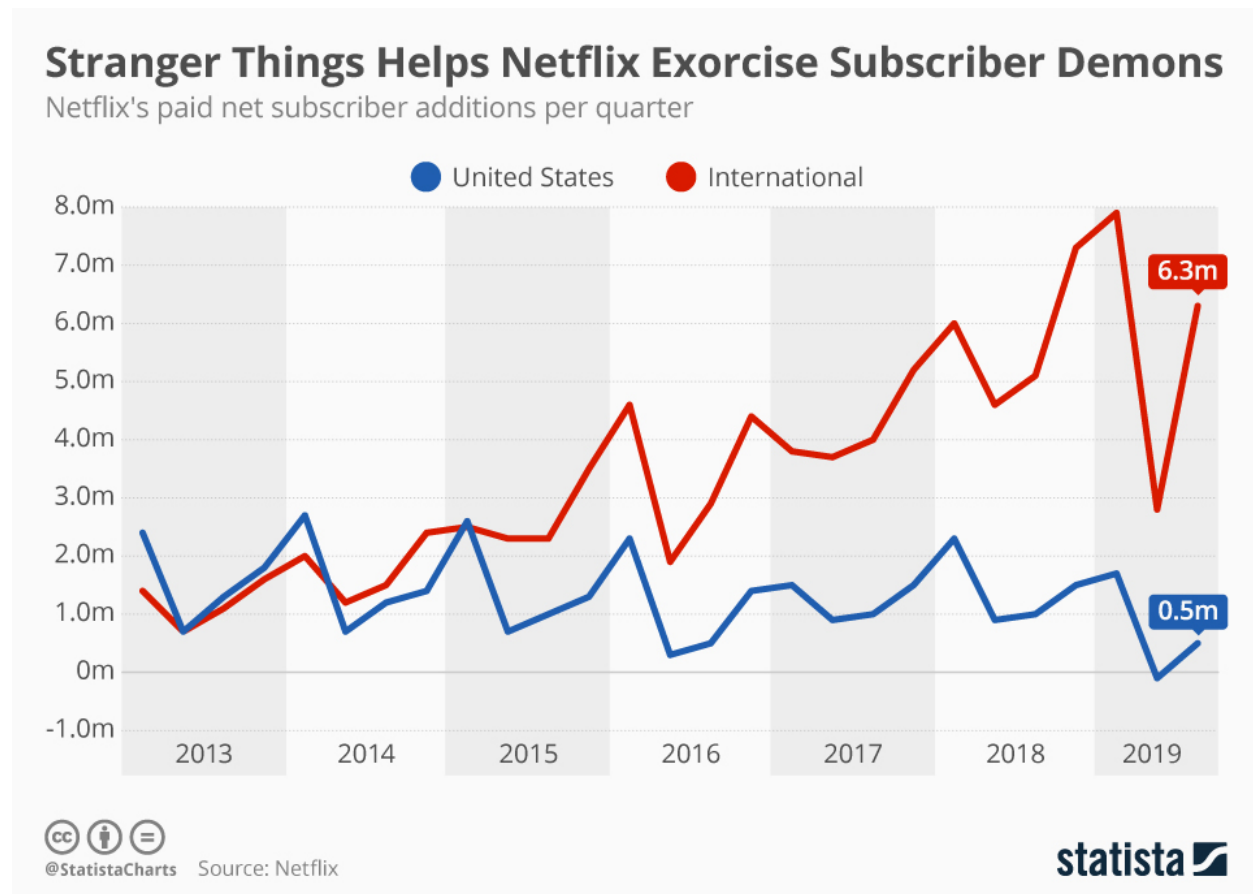


Figure 10: Impact of Original Content on Netflix Subscriber Growth Trends

On the technological front, Netflix is using artificial intelligence and big-data analytics to optimise its recommendation system, which subsequently has improved user engagement and retention (Arshad et al., 2025). This is in line with the socio-cultural change into on-demand personalised viewing. Moreover, the introduction of ad-based subscription levels explains how Netflix is flexible to change consumer taste toward low costs and competition in the market (AlInvest, 2025; Srivastava et al., 2025).

The Ansoff Matrix

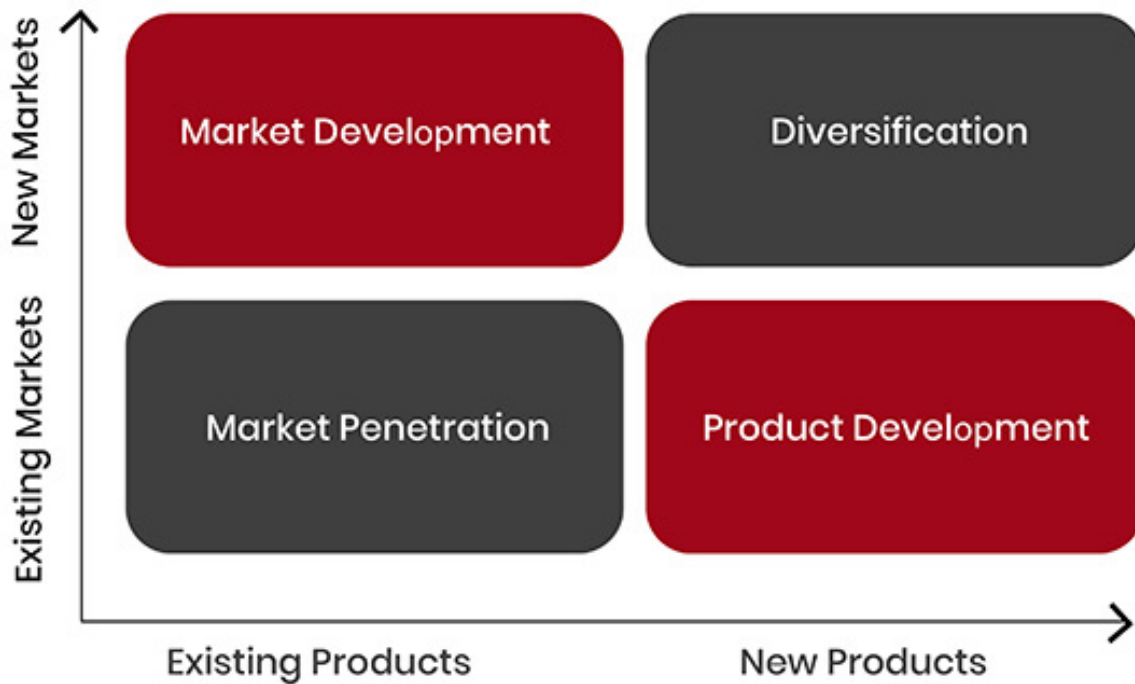


Figure 11: Ansoff Matrix Model

Under the Ansoff Matrix, Netflix is simultaneously taking both a market development orientation and a product development orientation. The market-development aspect can be illustrated by the fact that the company entered over 190 national markets, where it tailors its content products to the local cultural undertones, as evidenced by the production of *Sacred Games* in India and *Lupin* in France (Tambini, 2025). The product development can be seen in the form of the continuous innovation, which includes the integration of interactive content, gaming, and the improvement of the quality of the streaming (Mohan et al., 2025). These strategic projects help the Netflix to win new audiences as well as maintain the current subscriber bases.

Netflix User Count by Region

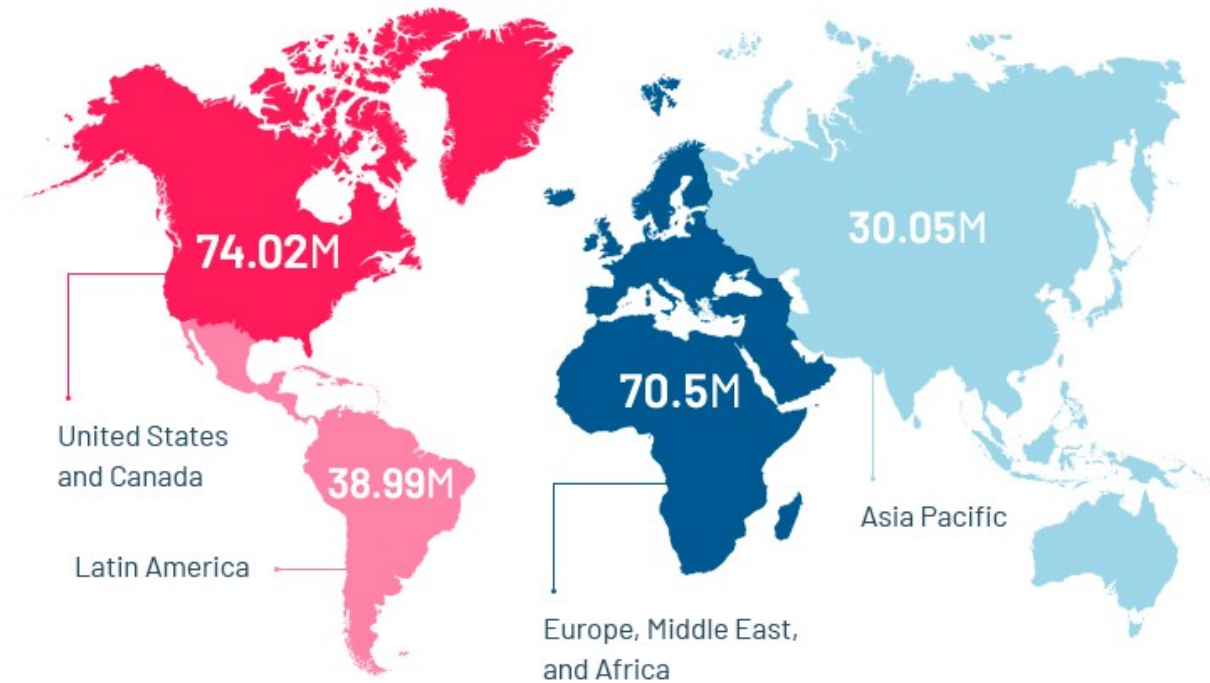


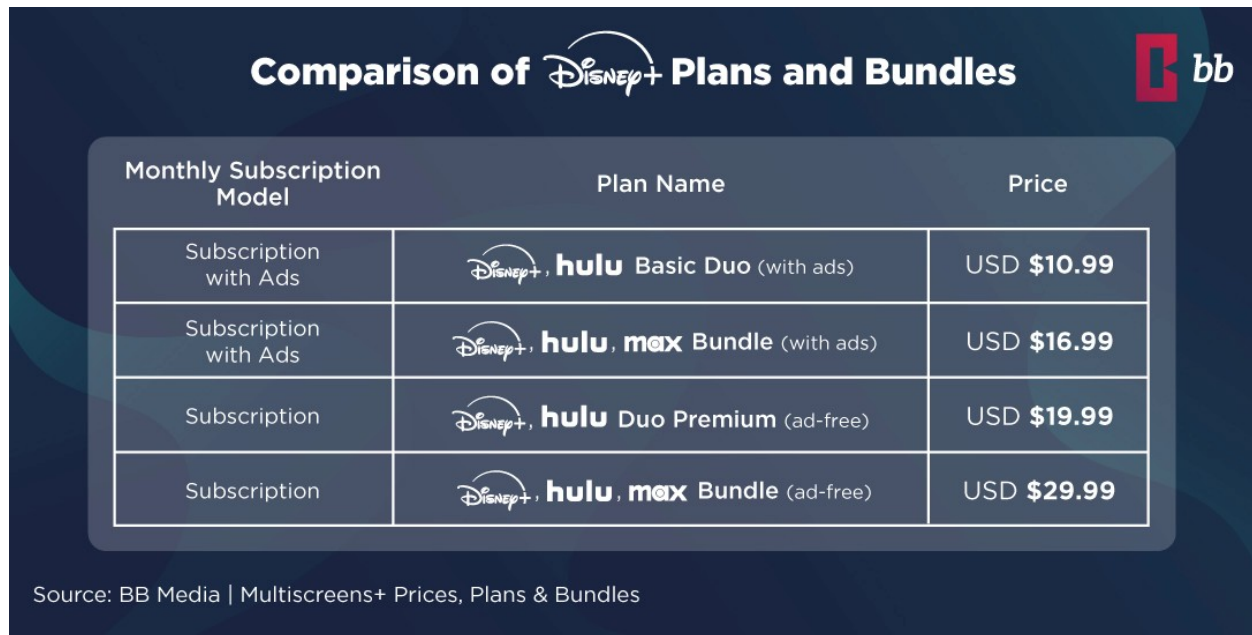
Figure 12: Netflix Global Subscriber Distribution by Region

Nevertheless, the strategy of Netflix is accompanied by apparent drawbacks. High spending on content creation and growing competitive pressure of the competing platforms pose great financial challenges. Also, the reliance on constant innovation that the company relies on exposes it to leverage in case of imitation of technological progress by its competitors. However, Netflix maintains a strong competitive advantage, which can be explained by the fact that the company was the first to enter the market, has a strong global presence and also its decision-making processes are data-driven.

4.2 Strategic Responses of Disney+

The strategic framework, which has been adopted by Disney+, combines cost leadership and differentiation, which has made the company a competitive force in the streaming market. The entity provides differentiated content in globally recognised franchises including Marvel, Pixar, and Star Wars. It is also competing price-wise by providing inexpensive subscription deals and Hulu and ESPN+ bundled services (Kumar, 2025). It

is this combined approach that allows Disney + to attract a large number of customers and still maintain strong brand equity.



Comparison of Disney+ Plans and Bundles 

Monthly Subscription Model	Plan Name	Price
Subscription with Ads	 hulu Basic Duo (with ads)	USD \$10.99
Subscription with Ads	 hulu , max Bundle (with ads)	USD \$16.99
Subscription	 hulu Duo Premium (ad-free)	USD \$19.99
Subscription	 hulu , max Bundle (ad-free)	USD \$29.99

Source: BB Media | Multiscreens+ Prices, Plans & Bundles

Figure 13: Disney+ Bundle Pricing Strategy and Subscription Plans

Considering technological drivers, Disney+ has managed to manage the implementation of resilient streaming infrastructures and interfaces that are easy to use but it is mainly the strength of its own content and not the technological enhancement. In comparison to Netflix, the competitive advantage of Disney+ is more grounded on the owner intellectual property than on the advanced personalization tools (Luo, 2024). However, Disney+ continues to expand its digital capacities, in order to maintain competitiveness in an ever-changing technological environment.

In the view of the Ansoff Matrix, Disney+ focuses more on the strategies of market penetration and diversification. The market penetration activities include pricing strategy, promotion, and venturing into the international market that the firm undertakes. The bundling plan helps to create augmented value perception and enhances increase in number of subscribers. Diversification is also observed in the systematic combination of the wide range of content modalities and intellectual property, thus creating an entertainment ecosystem that attracts heterogeneous audience segments.



Figure 14: Disney+ Promotional Pricing Strategy to Drive Market Penetration

Socio-culturally, Disney+ appeals to the sense of nostalgia and affective affinity to established brands, which serves to facilitate high levels of customer loyalty. The strategy aligns with the consumer preferences of quality and familiar content (Zheng et al., 2026). However, the platform is limited by its strong reliance on the existence of the intellectual property, and thus, its capacity to limit the diversity of its content, as well as the scale of innovative activities, as compared to its rival, Netflix (Cuelenaere, 2026).

All in all, the Disney+ follows a follower strategy focusing on utilizing its existing strengths instead of being an innovator (Badr et al., 2024). This strategy may reduce the risk and ensure stable growth, but it can limit differentiation in the long run in case the rivals continue to widen their content variety and technological strengths.

4.3 Comparative Evaluation

Aspect	Netflix (Pioneer)	Disney+ (Follower)
Strategy	Differentiation through innovation, original content, and personalisation	Hybrid of cost leadership and differentiation through franchise content and competitive pricing

Ansoff Approach	Market development and product development	Market penetration and diversification
Strengths	Advanced AI, global content library, strong innovation leadership	Strong intellectual property, bundle pricing, high brand loyalty
Weaknesses	High content and technology costs, pressure from intense competition	Lower technological sophistication, narrower content variety

Table 1: Comparative Strategic Analysis of Netflix and Disney+ in the Streaming Industry

Netflix seems to have a greater sustainable long-term competitive advantage, based on a strategy based on innovation, scalability, and sensitivity to market forces (Damasio et al., 2025). The original programming, global localisation, and recommendation algorithms, which increase user involvement and retention, form the cornerstone of its differentiation model (Arshad et al., 2025; Cui, 2024). This grants Netflix the ability to respond more effectively to technological changes and the evolving needs of customers. However, this strategic advantage is very expensive since constant spending on content generation and platform development increases the pressure on the financial load (Zheng et al., 2026).

On the contrary, Disney+ has already secured a strong standing in the market through a more focused and less-risky strategy. With the use of the globally established franchises, such as Marvel and Star Wars, together with the bundled pricing scheme, the platform creates instant consumer appeal and consumer loyalty (Kumar, 2025; Luo, 2024). However, its dependency on the existing intellectual property can limit its ability to be flexible in the long term. Netflix can therefore be deemed the superior in terms of strategic leadership, whilst Disney+ may be viewed as the formidable but comparatively reactant firm (Damasio et al., 2025).

5. Conclusion

To sum up, the macro-environmental analysis highlights the centrality of the technological and socio-cultural forces to the competitive dynamics of the streaming industry. Netflix, as an industry leader, has relied on innovation, data analytics, and international content capabilities to maintain a sharp differentiation advantage. In contrast, Disney+ as a follower is applying a hybrid model that merges cost-efficiency and strong content based on the franchise. The level of adaptation of both organisations to external changes is rather similar, but Netflix is more adaptable and resilient to long-term strategic changes. However, Disney+ continues to be a serious competitor due to its brand equity and pricing policy, and that is why it continues to provide continuous competition in the dynamic streaming market.

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