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Analysis of Disney's Globalization Development

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Abstract: Disney, a global leader in family entertainment and media, but Disney will also face certain difficulties with the development of globalization more and more mature. This study looks into Disney's position and growth around the globe and uses SWOT analysis to assess its present state of development and operating environment, and evaluates the issues that have arisen during the internationalisation of Disney by looking into secondary data. Disney has benefits like brand recognition, a variety of products, and strong financial assets, but it also confronts threats from rising competition and unreliable external factors. The first is that stakeholders disagree because of misunderstandings between cultures. Second, the rationality of product design and the flaws in culture will cause reputation to deteriorate. Third, having a wide variety of products presents challenges for marketing. Finally, the instability brought on by a change in leadership. This study offers a number of recommendations for Disney to better manage future worldwide development on the basis of these findings.

Keywords: globalization, Disney, SWOT analysis, culture conflict, production, marketing leadership

1. Introduction

Economic globalization is a major trend in the development of the world economy. The global economy is now in a highly coordinated state. Globalization has a huge impact on enterprises. It not only enables them to have a larger market, so as to obtain greater benefits, but also intensifies the competition among enterprises and poses new challenges to the internal management of enterprises. Therefore, for enterprises in the global competitive environment, if they do not adjust and upgrade, they will be in a passive position. It's difficult not to think of Disney when people discuss multinational corporations. Disney has existed since its founding in 1923, or almost 100 years. From a tiny animation company, it has grown over the past 100 years through many ups and downs to become a worldwide film and television media group. Disney has familiar animated characters and six of the world's most influential theme parks in the United States, Japan, France and China. In other word, Disney is one of the most prosperous international corporations and is adored by people everywhere. Numerous organisations can learn valuable lessons from its global experience. However, Disney will experience additional issues as the business environment matures and the number of media firms rises.

In order to better carry out the development of globalisation, this essay will explore the issues that Disney will encounter during the process and offer solutions. Clearly, Disney depends on the world

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market. This article will first analyse Disney's current position in the world, and then use SWOT to analyze Disney's current business situation. Following that, it will examine Disney's future issues from the perspectives of four different areas: culture shock, product strategy, marketing, and leadership. Finally, Disney is provided some recommendations based on the information presented above.

2. Disney Status Quo

2.1. Disney and the World

Walt Disney was ranked seventh on Forbes' list of the world's Most Valuable Brands in 2020 and 94th on Forbes' list of the World's Top 2000 Companies in 2022 [1]. As a giant in the animation and theme park industry, Disney has created fairy tale worlds for millions of children around the world, and has a profound impact on the world's economy and culture. In addition, Disney, as one of the world's largest entertainment companies, has achieved huge profits in all markets around the world. For example, Disney made close to $50 million globally when Snow White and the Seven Dwarfs was re-released in the 1950s, and subsequent movies as well as theme parks all over the world brought in a lot of money for Disney [2]. That said, the global market is crucial for Disney.

2.2. SWOT Analysis and Future Development

First of all, Disney is incredibly well-liked, characters like Mickey Mouse, Winnie the Pooh, Princess series, and others hold a particular place in people's hearts that no other firm can match. Additionally, Disney has increased its footprint in the entertainment industry with the acquisition of businesses like Pixar, Marvel, and Lucas. In other words, the Disney brand itself is what makes Disney competitive. Disney also has robust intellectual property protections. The legal protection of copyright makes Disney's characters become the signboard of the brand, and at the same time, the release and sales of various extension products related to the characters have brought huge profits to Disney. In addition, Disney is financially sound. Disney's earnings increased by 26% for the quarter, indicating strong financial health [3]. The fantastic performance gives Disney additional energy and money for its upcoming growth.

However, Disney still has some shortcomings that must be addressed. According to sources, Disney is losing more than $1 billion owing to poor financial planning, such as the high amount of money spent on training due to high employee turnover rate [4]. Furthermore, the majority of Disney's marketing is done through cross-promotion, and advertising is solely utilised to promote new films and gadgets, resulting in a lack of marketing and promotion. Moreover, Disney is a global entertainment firm whose business is greatly dependent on consumer choices. Meeting the changing tastes of the world's marketplaces is tough because research is unpredictable and costly. What's more, Disney is relying on the constant spin-off of old characters, not too many new ones to keep them fresh, and facing copyright expiration issues.

As society evolves and people's lifestyles change, an increasing number of individuals are willing to spend time on leisure and amusement. As a result, Disney, as a leading entertainment corporation with several entertainment businesses, has a fantastic potential to broaden its audience. In addition to its established markets, Disney can expand into rising regions such as Brazil and India. What' more, Disney may expand its new media collaborations as technology reduces cable subscriptions and increases demand for internet entertainment. Disney's technology in visual effects, setting, and animation brought virtual characters to life in the 1990s, allowing the company to maintain its position as an industry leader [5]. Therefore, the advancement and innovation of science and technology might make Disney more competitive.

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Disney faces intense competition in many markets due to its presence in five market segments—media networks, parks and resorts, studio entertainment, consumer products, and interactive media. First, let's look at the movie business. Businesses are entering this industry in greater numbers. Disney is no longer the only option after nations like Japan and China produced so many excellent anime movies in recent years. Secondly, in streaming, there's competition from platforms like Netflix. Additionally, Disney faces competition in the amusement park sector from companies like Universal Studios. While Universal Studios offers more thrilling rides and also has many well-known characters, Disney's rides are more kid-friendly. And a number of regional theme parks have sprung up recently to highlight regional culture, which giving visitors more options for theme parks.

In addition to competitors, the coronavirus pandemic is an inevitable threat to Disney. The coronavirus outbreak has forced theme parks to close, such as Shanghai Disney, which opened for only three days this season, which will take a heavy toll [3]. Disasters, both natural and man-made, have always posed a sudden and unavoidable threat.

Future development

Numerous people associate Disney with their childhood dreams and memories, giving it a distinct advantage over its rivals. Disney must continue its own ongoing development since, as the entertainment business expands, such advantages may progressively disappear. Disney is required by copyright laws to retain those signs, for starters. Disney must innovate and can no longer solely rely on the original characters. Additionally, the organisation must make improvements and cut certain needless expenses in order to reallocate funds to areas that are more pressingly needed, like publicity. Additionally, Disney needs a long-term strategy for addressing both natural and man-made disasters. Disney must also think about how to maintain its position in the original market while continuing to grow its own market in the context of the growing global expansion. Disney has a bright future overall.

3. The Disney Problem

3.1. Cultural Conflict

As a large multinational entertainment enterprise, the management of culture conflict is one of the most important issues for Disney. Languages, practises, values, religions, and other aspects of culture differ across cultures as a result of historical and social development. These discrepancies could develop into cultural barriers that prevent businesses from appropriately understanding required information, leading to external conflicts with the government, customers, and other organizations, and internal conflicts in employee management. In other words, cross-cultural conflict arises from cultural differences between multinational corporations and the host country's cultural concepts when those corporations operate in other nations, and it also refers to conflicts brought on by employees varied cultural backgrounds within the organisations they work for.

Multinational companies cannot succeed by forcing local people to adopt their own culture. Instead, it is important to respond to the local environment accordingly. Disney's examples from France and Japan serve to clearly show this idea. Japanese embraced American culture and Tokyo Disney was a huge success, while Euro Disney was a commercial and cultural failure. Despite being completely Americanized, Disney Japan is totally Japanese-owned and run, and Disney only receives 10% of its earnings [7]. Through ongoing negotiations with the French government, Disney acquired ownership of and control over Euro Disney. However, due to the language issue, Disney terminated negotiations with the local government during the process, resulting in a sour relationship with the voters [8]. Additionally, Disney was sued for a significant amount of money in damages after 16 European construction companies sued it because Disney insisted on utilising American building standards to develop Euro Disney [8]. Disney also imposed American culture on the French, which was incompatible with French culture but was rejected by the French, as was the prohibitionist culture.

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What's more, the American-style code of conduct for Disney is also very different from French labour rules, and the French performers' resistance to assimilation has hurt both the visitor experience and Disney's reputation as a company [8]. In other words, while the Americans gained control of Disney, they also lost their European customers. From the comparison between Japanese and French Disney, it can be seen that although American managers have made a lot of efforts for French Disney, it is obvious that there are still deviations in the cognition of corporate managers on cultural differences, and the cultural conflicts caused by these deviations almost destroyed Euro Disney. As a global company, it is very important for Disney to solve the cultural conflict by retaining its own culture and making local people accept it.

An organization's mission and business plan cannot be successful in the long run without effective human resource management. Disney is a sizable global business with workers from all over the world. As mentioned above, French employees' dissatisfaction with Disney's Americanized work requirements directly led to Disney's reputation problems, which means that cross-cultural management will be a big challenge for the internal staff management of enterprises. The president appointed at the beginning of Euro Disney was an American with close ties to France, but even if there was a connection, he did not have a mature French mind, a French culture. The management of human resources should take into account things like regional labour regulations and cultural diversity. Serious repercussions will occur if human resource management and business strategy diverge. Due to cultural differences, employees with multicultural backgrounds will be more prone to experience unpleasant feelings [9]. Positive emotions are less influential at work than negative emotions, which will have a detrimental impact on employees' performance [10]. Therefore, for employees who need to work across cultures, the company should pay more attention to their mental health. Disney must make wise compromises for the clash of cultural norms in order to compete in the global marketplace.

3.2. Product Strategy

More than any other product, cultural commodities are a reflection of the social and cultural values of the people who generate them, and many nations will implement some protection measures to bolster their grip over indigenous culture and promote nationalism [11]. Disney would therefore face resistance from the local market due to its emphasis on American ideals and lifestyle. In addition to the classic Mickey Mouse, Winnie the Pooh, Barbie doll, Disney has also produced films of different cultures in response to the development of globalization, such as Mulan, Aladdin and so on. But these films were not only not well received by the locals, there was even a very strong boycott. Mulan is the most well-known IP in China, but due to Disney's ignorance of Chinese culture, some of its material is at odds with traditional Chinese culture. As a result, Mulan failed to perform well at the box office in the Asian market, and even decreased Disney's reputation in China. Aladdin demonises Arabs and Muslims, misleads other viewers about Arabs, and has an impact on how Arabs, particularly youngsters, feel themselves [11]. There is also the film Moana, which is considered by Pacific scholars to be cultural appropriation and exploitation [12]. In the near term, these cultural controversies have caused a large drop in local ticket sales for Disney movies. More seriously, they may cause Disney's reputation to deteriorate and be replaced by other brands.

3.3. Marketing

First of all, Disney's products mainly target at people with childlike innocence, most of them are kids. The cost of children's consumption must be covered by parents. When it comes to controlling their children's consumption, parents typically place more focus on what is practical and educational and pay less attention to consumer goods [13]. Disney is therefore more competitive for parents if its products are more educational as an entertainment corporation.

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Its products include Disney movies, Disney parks, Disney consumer products, and Disney's media network. The diversity of products and the broad geographical scope of the target audience, Disney's marketing strategy should be more nuanced differentiation. Consumers will be significantly impacted by cultural differences. Marketers must boost their competitiveness in various marketplaces and efficiently service customers in certain target markets [14]. For Disney, which is very broad both in terms of product and geography, market research, promotion, etc. is very high in terms of both difficulty and cost, and it is difficult to please everyone.

When it comes to encouraging client loyalty and providing outstanding customer service, The Disney Company excels. The expense of acquiring new consumers is five times higher than the cost of keeping existing ones [15]. Disney has been leaving an emotional mark on people's hearts since its inception, and the emotion people feel for it is a marketing tool to build customer loyalty through nostalgia. However, as each generation has grown, the animation industry has progressed and is now up against a growing number of rivals. Disney's marketing efforts under its own brand may not have the same impact on the younger generation as they formerly did.

3.4. Leadership

When mentioning Disney's leadership, one has to think of its founder, Walt Disney. Walt Disney is a charismatic leader. Because they felt they were following a leader on a mission, Walt Disney's staff backed him despite the fact that they were paid very little to work for him. Both "expert power" and "reference power," when followers believe the leader has expertise or insight, are displayed by Disney in its interactions with its employees. Reference power also occurs when followers identify with the leader or view them as someone to aspire to [16]. After the death of Walt Disney, the entire company suffered turmoil because the succession of charismatic leaders is controversial [17]. Disney still maintains the core values of Walt Disney. Walt Disney began his company nearly a century ago, and both previous and current Disney CEOs have strived to replicate that value in new content and experiences [18]. But even so, it can't be like when Walt Disney led the company.

Since taking over as CEO of Disney, Bob Iger has developed a strategy around the ideas of "content is king, technology is innovative, and global expansion" and has taken some risky actions like buying Pixar, Lucasfilm, and Marvel to guarantee a steady stream of new content for the business, which has obviously produced enormous profits for Disney [18]. The worldwide theme entertainment business continues to solidify its position thanks to Disney's top original content, ongoing integration of cutting-edge technology, development or reinvention of franchise projects, and creative goods. Disney also entered a quick development channel. Disney is a technologically advanced firm in addition to being a major player in the entertainment industry. In 2020, Iger said he decided to leave because of his long career experience, which made him less inclined to listen to others. The leadership's credibility and strategic choices will have a significant impact on this innovative, global corporation. The future of Disney will also be affected in new ways by Iger's exit.

4. Recommendation

The analysis above shows that Disney still has a lot of obstacles to overcome before it can fully realise its potential, despite being a successful worldwide corporation. The two most significant strengths of Disney are first and foremost its popularity and client base. Holding on to the original IP is not the greatest course of action in the face of an increasingly competitive market, despite the fact that it preserves the edge. Their previous CEO emphasised the value of creativity. Disney needs to come up with fresh concepts from all cultures in order to compete in a market that is becoming more diverse.

In terms of cultural conflict, Euro Disney has already had one setback. A multinational company needs top-notch management staff in order to address the issue of cultural friction early. Disney

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shouldn't be restricted to hiring Americans only as executives in foreign countries. A local CEO will be able to develop stronger plans since they will have a deeper comprehension of the local way of life. The core content of localization strategy is to strengthen localization talent. Additionally, it's important to provide employees with the required training in order to improve their ability to respond to and adapt to various cultures as well as to remove mental and cultural constraints. In order to ensure the mental wellbeing of non-local employees, businesses should offer them quality psychological counselling. What’s more, Disney can achieve cross-culturally harmonious operation and management mode with the cultural characteristics of the host country through the intersection of cultures as a company with strong value beliefs, allowing employees to integrate their own ideas with the company's business and create a strong corporate culture.

Disney's movie business finds foreign-culture films to be incredibly appealing, but if they are not employed properly, they could backfire. Disney still has a lot of room for growth in China, the Arab world, and other nations, but some errors could cost it those markets. Every nation places a high value on its culture. If Disney takes the cultures of other nations seriously, it will generate a lot of goodwill. Therefore, a market research team may be developed and local talent can be employed to help with the research and deepen understanding of the culture that will be featured in the movie. Realize the products' true localization, second. In order for the items to be swiftly accepted by consumers in various markets, they can be altered to varying degrees in accordance with the findings of market research.

For its global market, Disney needs to conduct market segmentation and research according to different regions and products. Although the cost may be high, it is very necessary, because as a cultural industry, it needs to cater to the preferences of the masses. Secondly, Disney should not only focus on children and people with childlike innocence, their parents should also be considered as the target market, because they are the ones who have the financial strength to pay the bill. The propaganda of advertising can grasp the educational words of "let children learn" and increase the recognition of elders.

Finally, in terms of leadership, a change in leadership will have an impact on how the organisation as a whole develops. The leader's outlined strategic strategy will have an impact on Disney's future growth. The future of the leadership cannot be predicted; neither can it be asserted with certainty that it will be good or terrible. A extremely charismatic pioneering leader runs Disney. Disney will continue to be charming even after Walt is gone if the company is operated according to the principles he established.

5. Conclusion

In general, Disney's greatest advantages in the very competitive media sector are its widespread appeal and high level of client loyalty. Disney's appeal is distinctive, but that can fade over time. Therefore, in the face of strong competitors and a complex global environment, Disney should first pay attention to the conflicts between various cultures. By bringing on local leaders, enhancing employee training, and seeking out psychological help, conflicts can be reduced. Sticking with old IP forever could keep Disney out of step with The Times, so it needs to increase its technological and creative capabilities for its products so that consumers always perceive it as new. As for marketing, although the cost will be very high, detailed research will help Disney to have a better reputation and more customers. Leadership is very important for a large multinational organization. For Disney, there is only one Walt Disney, and his passing cannot change, but his spirit can live on. Any other good leader could have made a lot of money for Disney. In a word, although the development of globalization has certain challenges for Disney, as a giant, it has much greater advantages than other companies and more opportunities.

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