

## Competitor Analysis for Disney

On July 22, 2019, box office mojo, a box office Statistics website<sup>1</sup>, showed that the global total box office of a box office Statistics website<sup>1</sup>, showed that the global total box office of Avengers: Endgame reached 2.797 billion US dollars of avatar, becoming the first in film history. Disney obviously is the biggest winner after behind the carnival. Ten years ago, Disney paid \$4 billion for Marvel, and ten years later, Disney has earned more than \$18.2 billion in the global box office from it. Marvel's success is just the tip of the iceberg. The Avenger four is almost the new height that the superhero commercial movie can reach, but still far from Disney's ambitions.

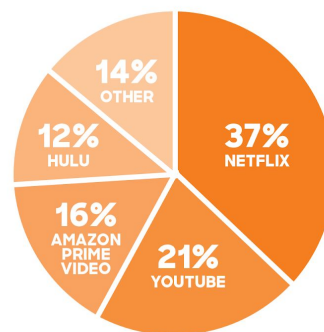
### Streaming media

The endgame of Avenger is just over, but Disney's endgame in the Streaming media is just about to happen. Netflix always holds hegemony on the streaming business. According to ComScore, a well-known Internet Statistics company,

Netflix leads the way with 37% usage, while youtube, the second-largest, has only 21%<sup>2</sup>. Compare with the statistics in 2018, Netflix used to take up to over 40%, which means more and more people are leaving Netflix toward other streaming media such as Disney+ and Hulu.

**Connected TV: Share of OTT Hours by Service**

MARCH 1-16, 2020



comscore

Source: Comscore Total Home Panel Custom Reporting

<sup>1</sup>"Avengers: Endgame." at Box Office Mojo.

<sup>2</sup> "Comscore Sees Notable Rise in Streaming Usage." at Comscore, Inc.



Disney Plus is a subscription video-on-demand streaming service of Disney company launched on November 12, 2019, and attracts more than 50 million users to subscribe within only four months<sup>3</sup>. Disney's princess, Animated Classics, Star Wars movies, all Pixar

studios movies, Marvel's superhero series, and the Simpsons in 30 seasons are all available in Disney+ only. Moreover, Disney+ now even have the Titanic, Avatar and Alien in its pocket. People must admit that there is no technology company that can match the level of content treasure houses. Meanwhile, Disney also put its hand into Hulu, which ranked third after Netflix and Youtube. Hulu once was a joint venture of several media giants, but things got different after the massive Disney and Fox merger. According to the statistics on vox.com, Disney now owns Fox's 30 percent stake in Hulu. Plus Disney's original owned 30 percent of Hulu prior to the Fox deal, its ownership in this streaming service is now 60 percent<sup>4</sup>. It doesn't end there, in a few years, once the deal with Comcast is completed, Disney will own Hulu completely. The Vox.com also revealed that Comcast and Hulu's divorce<sup>5</sup> will be complete by 2024. Currently, Disney has announced that it will no longer renew its contract with Netflix, which means people can not watch Marvel's superhero TV series on Netflix anymore. Daredevil, Luke Cage, Jessica Jones, the Punisher, and the Defenders League will all fade out. In the near future, people will see the mickey mouse grab its Disney plus on the left hand and Hulu on the right hand. Once Disney completes the

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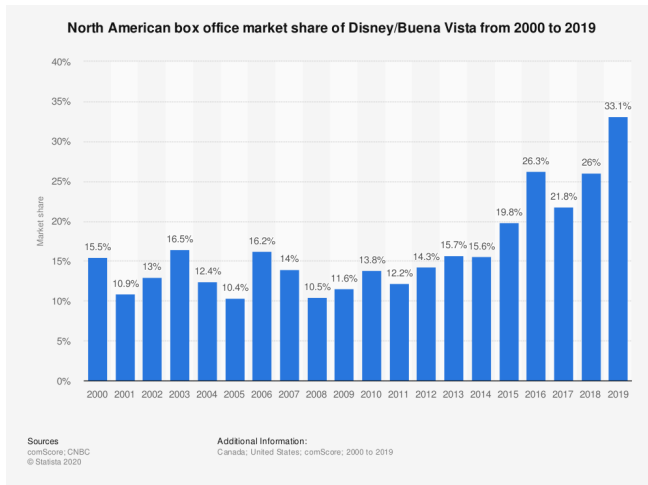
<sup>3</sup> Alexander, Julia. "Disney Plus Surpasses 50 Million Subscribers." The Verge, The Verge, 8 Apr. 2020

<sup>4</sup> VanDerWerff, Emily Todd. "Here's What Disney Owns after the Massive Disney/Fox Merger." Vox, Vox, 20 Mar. 2019

<sup>5</sup> Kafka, Peter. "The Hulu/Disney/Comcast Divorce, Explained." Vox, Vox, 14 May 2019

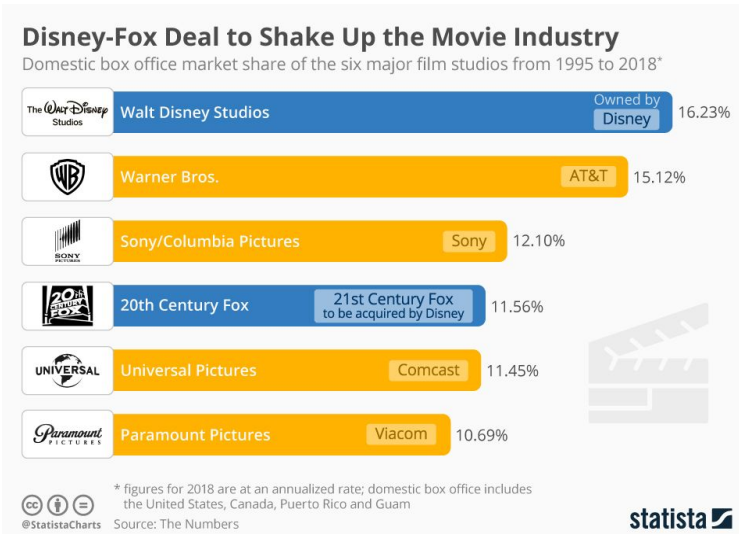
further integration of Hulu and Disney+, there will be no more competitors in the streaming market that could win over the mickey mouse.

## Movie Market



Different than the market share from Netflix has shrunk in the streaming market, Disney gradually occupies the majority of the market share in the movie market. According to Statista, since 2014, Disney's market share has almost doubled in the movie market, and because of many major

acquisitions, Disney now has a lot of other studios including 21st Century Fox, which Disney acquired in early 2019<sup>6</sup>.



Why did other movie companies fade out and Disney have gradually taken up most of shares in the movie market? In general, Disney, Warner, 20th Century Fox, Universal Pictures, Paramount and Sony Columbia, these film distribution companies

have formed the "six major" pattern of Hollywood in the past decades. In March 2019, Disney officially announced that the acquisition plan of 20th Century Fox had obtained the final regulatory approval. At 12:02 on March 20, EDT, the confirmation of the transaction to

<sup>6</sup> Watson, Amy. "North American Box Office Market Share of Disney/Buena Vista 2019." Statista, 15 Jan. 2020

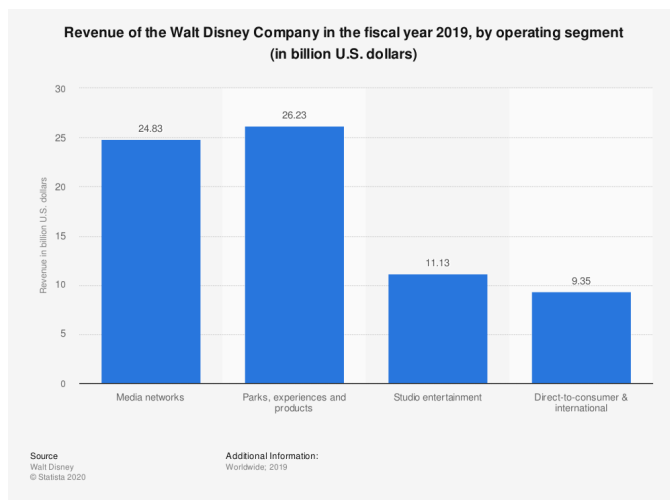
acquire part of fox's assets was completed, and the merger between Disney and Fox took effect. Disney now owns all of Fox's 11.56% percent market shares, plus Disney's original owned 16.23% percent prior to the Fox deal, it is now taking up to 27.79% of movie market shares<sup>7</sup>. Far ahead of second place Warner pictures. Disney mainly launches commercial films in the film market, such as Avengers series, which causes Disney never to win the favor of Oscar. However, 20th Century Fox (now acquired by Disney) won four times Oscars: Slumdog Millionaire, 12 Years a Slave, Birdman, and The Shape of Water. It leads Fox to be the film company that won the most Oscars since the 21st century, beating Warner, Universal Pictures and Paramount. In conclusion, with one arrow, both fame and wealth will come. Business and art, box office and honors, Disney wins from all angles.



The purchasing of 20th Century Fox by Disney not only means restructuring “Six to Five”, but also represents the reshaping of the Hollywood film market. Disney is getting way more stronger than other competitors now, and remember, the strongest will only get stronger.

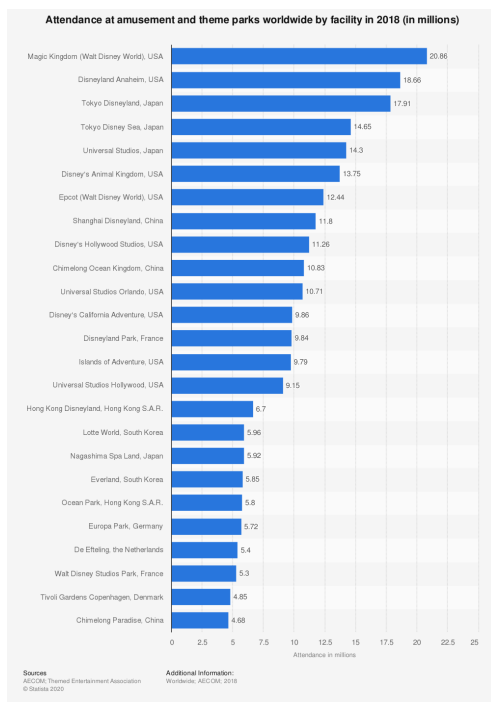
<sup>7</sup> Richter, Felix. “Infographic: Disney-Fox Deal to Shake Up the Movie Industry.” Statista Infographics, 4 July 2018

## Theme Parks Market



Maybe Disney has potential competitors in the streaming media and film industry, but in the theme park industry, Disney is invincible. According to the revenue of the Walt Disney Company in the fiscal year 2019<sup>8</sup>, the total revenue in 2019 was US \$69.57 billion, rose 17.1%

year-on-year, and annual revenue of theme parks was near \$26.23 billion, accounting for 37.7% of the total revenue, which is the highest part of Disney 2019 annual revenue.



If you want to ask what is the most profitable theme park? The answer is unique and constant: Disney World. According to Statista, Disney took up the most in the the world's most popular theme parks list<sup>9</sup>. On July 17, 1955, the Disneyland in Anaheim, California officially opened, becoming the first Disneyland theme park under the Walt Disney Company. It is both the largest theme park and most popular park in the world. After the opening of the first in California, there are six more Disneyland parks opened in five countries and

regions, which are Florida, Tokyo, Shanghai, Paris, and Hong Kong.

The only potential competitor with Disneyland is the Universal Studios Hollywood. However, there are only 4 Universal Studios theme parks in the world, lower than

<sup>8</sup> Watson, Amy. "Walt Disney Revenue by Segment." Statista, 11 Nov. 2019

<sup>9</sup> Lock, S. "Amusement and Theme Park Attendance Worldwide 2018." Statista, 13 Feb. 2020

U.S. public amusement and recreation  
construction spending

13.65bn USD

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Attendance at Disneyland Anaheim, California

18.66m

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Attendance at Universal Studios Orlando

10.71m

Disneyland's 6 worldwide theme parks record. Moreover, Universal Studios Hollywood attracts lower attendance, in general, compared with Disneyland. In 2018, according to the statistics of attendance at Disneyland (California) and attendance at Universal Studios (Orlando)<sup>10</sup> Universal Studio has 10.71

million visits while Disneyland attracts more than 18.66 million attendance. Not to mention that Disney has more playgrounds around the world than Universal Studios and a greater reputation.

### Conclusion

Are there any competitors for Disney? Maybe from different areas, there is. For example, in the streaming media area, Netflix is still the first to take the lead in terms of national coverage; in the area of film distribution, there are still four more studios can compete with Disney after Disney merged with Fox; also, in the fight for the number of theme park visitors, the Universal Studios can barely take a share.

But for the Disney Empire as a whole, No. Disney, with its huge content base, is easily at the top of the food chain. The monopoly situation follows, and monopoly is never a good thing, even for Disney which tells fairy tales. Disney has grown into a huge dragon, and people are afraid of that.

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<sup>10</sup> Lock, S. "Amusement and Theme Park Attendance Worldwide 2018." Statista, 13 Feb. 2020