

Chapter 2 Case Study—Disney: The Happiest Brand on Earth

TRUE/FALSE

1. By creating sequels and spinoffs of the original Cars, such as short films and a Cars theme park attraction, Disney is pursuing market penetration.

ANS: T PTS: 1 OBJ: 2-3 TOP: AACSB Reflective Thinking
KEY: CB&E Model Strategy MSC: BLOOMS Level I Knowledge

2. Disney is a large corporation with many SBUs creating products for every individual in the typical (and not so typical) family. So, these units can be seen as niche marketing.

ANS: F
A niche market is a market segment that isn't important to larger competitors. Disney's operations focus on large markets.

PTS: 1 OBJ: 2-6 TOP: AACSB Reflective Thinking
KEY: CB&E Model Strategy MSC: BLOOMS Level I Knowledge

3. When Disney spins off one of its franchises, like a line of Hannah Montana jeans, it is building a sustainable competitive advantage.

ANS: T PTS: 1 OBJ: 2-6 TOP: AACSB Reflective Thinking
KEY: CB&E Model Strategy MSC: BLOOMS Level I Knowledge

4. Disney's change in strategy would, if applied to developing a mission statement, would emphasize serving a target audience of young people.

ANS: F
False, because the Disney case shows that the company is intent on producing entertainment products that follow a person throughout his or her life, that is, into adulthood.

PTS: 1 OBJ: 2-4 TOP: AACSB Reflective Thinking
KEY: CB&E Model Marketing Plan MSC: BLOOMS Level I Knowledge

MULTIPLE CHOICE

1. A significant demographic driver for Disney to expand its target market to teens was _____.
 - a. family-friendly fare
 - b. to achieve tween appeal
 - c. fewer younger children
 - d. to reach out to an adult audience
 - e. all of the above

ANS: C
It was becoming evident that Disney had missed opportunities with the narrowing of its narrowing target market of younger children.

PTS: 1 OBJ: 2-8 TOP: AACSB Reflective Thinking
KEY: CB&E Model Strategy MSC: BLOOMS Level II Comprehension

2. If Disney created a Jonas Brothers wristwatch packaged with their latest CD, which only sold in its theme park gift shops to maximize profits over CD sales in third-party outlets, Disney would be pursuing what strategy?
- a. a promotion strategy
 - b. a mixed market
 - c. a pricing strategy
 - d. a place strategy
 - e. all of the above

ANS: A

This is a promotion strategy designed to increase sales in one place, but it is still a promotion strategy first and foremost.

PTS: 1

OBJ: 2-9

TOP: AACSB Reflective Thinking

KEY: CB&E Model Strategy

MSC: BLOOMS Level II Comprehension

3. You are tasked with doing a market opportunity analysis (MOA) of Disney's target markets. Which division(s) might create the most value by appealing to each of those markets?
- a. Pixar
 - b. Disney's theme parks
 - c. Pixar and Disney's movie studios
 - d. Disney's stable of pop stars
 - e. Pirates of the Caribbean franchise

ANS: C

The most probably answer is Pixar and the movie studios because these business units create the products that generate the most spinoffs and sequels.

PTS: 1

OBJ: 2-8

TOP: AACSB Reflective Thinking

KEY: CB&E Model Strategy

MSC: BLOOMS Level II Comprehension

4. In determining that Disney could achieve a technological advantage in purchasing Pixar as well as appeal to a smaller number of younger children with the most appealing animation, which of the following processes would help most in making that determination?
- a. market myopia
 - b. environmental scanning
 - c. taking control of resources
 - d. product differentiation
 - e. identifying a cash cow

ANS: B

Environmental scanning helps identify important macroenvironmental forces, including social, demographic, economic, technological, political and legal, and competitive.

PTS: 1

OBJ: 2-6

TOP: AACSB Reflective Thinking

KEY: CB&E Model Strategy

MSC: BLOOMS Level II Comprehension

5. The decision to purchase Pixar was to revitalize Disney's animation business. Which of the following most likely have helped in reaching that decision?
- a. SWOT analysis
 - b. The General Electric Model
 - c. A portfolio matrix
 - d. Ansoff's Opportunity Matrix
 - e. Any of the above would be of equal help

ANS: A

When Disney chose to buy Pixar, it sought to revitalize one of its core businesses, animation, that is, it addressed both a strength and a weakness.

PTS: 1 OBJ: 2-6

TOP: AACSB Reflective Thinking

KEY: CB&E Model Strategy

MSC: BLOOMS Level II Comprehension

6. Name the person or persons most critical to the strategic plan behind the success of Disney's individual franchises.
- a. the CEO and Roy Disney
 - b. Michael Eisner
 - c. the franchise management teams
 - d. Steve Jobs and Bob Iger
 - e. Bob Iger

ANS: E

The most critical element in successful strategic planning is top management's support and participation.

PTS: 1 OBJ: 2-10

TOP: AACSB Reflective Thinking

KEY: CB&E Model Strategy

MSC: BLOOMS Level II Comprehension