
DISNEY PRINCESSES ORIGINAL SERIES

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FROM: HARRISON ANASTASIO
SUBJECT: DISNEY LOOKS TO REPOSITION THEIR PRINCESSES
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Market research and analysis show that Disney princesses are gaining more popularity among little kids and producing a Disney princess series would attract a younger, female orientated demographic to Netflix. It is critical to obtain a licensing agreement with Disney before they decide to produce either a cable series, movie, or other streaming series. Our marketing efforts should go hand and hand with Disney as we try to reposition Disney princesses by advertising that the princesses teach friendship and kindness. Also as the leading streaming service in the U.S we can capture most of the streaming entertainment population allowing Disney to reach more young girls in a different media.

Opportunity

Disney has recently changed license agreements from Mattel to Hasbro after being dissatisfied with Mattel's lack of involvement in Disney princess dolls and has also announced that they plan to **repositioning** their products after Mattel's poor marketing strategy 1. Due to this major change, it is urgent that we take advantage of this opportunity and help Disney reach their goal. According to Forbes magazine, Disney Princesses are the number one best-selling entertainment products, acquiring about 1.6 billion dollars in retail sales alone 2. Disney's success in princess sales is due to the fact that they began selling all eleven princesses on the market (not including the princesses from Frozen) and Disney is planning on pumping out more princesses 3. In order for sales to increase, Disney knows that children have to be exposed to the characters so, they have made efforts to produce more entertainment media 4.

1 Announcement came from "The \$500 Million Battle Over Disney's Princesses"

2 Sales Figure came from "Disney Princess Tops List of The 20 Best-Selling Entertainment Products"

3 Decision came from "The \$500 Million Battle Over Disney's Princesses"

4 Information obtained from "Disney Consumer Products Poised for Incremental Retail Sales Growth"

Our strength in our streaming market share will allow Disney to reach a large and different segment and not only help Disney revenues but ours as well.

Porters Five Forces

Threat of Entry – The threat of entry is high because of the large amount of children shows already available to small kids today. Entering this market will require large amounts of investments in promoting and producing if we plan on competing with the vast competition.

Competition – Our competition in the streaming market are Hulu and Amazon. We have other competition in cable with channels such as Nickelodeon, Cartoon Network, Disney Channel and ABC Family. In addition to that we have competition with movie company's such as Disney/Pixar, Universal and Dreamworks.

Supplying Power – Supplying power is low since we already have a production company and a fantastic team that can produce another Netflix original series.

Buying Power – The buying power is medium due to the monthly subscription. Since we lock down our customer for one month we have their attention until they cancel their subscription. Buying power is not high, however, because competitors are matching our prices and offering other attractions, which is creating a market with no brand loyalty.

Compliment – Unfortunately, in order to produce a Disney Princess series, we will need to obtain licensing agreements with Disney.

Alternative Decisions

There are three alternative paths we can take. 1) We decide to drop all efforts and continue our regular operations. 2) We obtain a licensing agreement with Disney and work with them to produce a Disney Princess show or 3) Drop all efforts in producing a show but buy Disney movies and TV shows to stream on Netflix.

Recommendation

As sales in Princess dolls rise and Disney continues to create new princesses, it is too hard to ignore the fact that we have an opportunity amongst us. Ignoring this potential cash cow can hurt us in the near future especially if Hulu or Amazon creates their own princess series. I recommend that we begin making efforts towards working on obtaining the licensing agreement. If all else fails, Disney will see our interest and might offer us more Disney movies. If we are successful in obtaining the licensing, we can build on **brand loyalty** and implement interactive parts in the series so kids can play with their dolls while they watch.

Citation

Suddath, C. (December 17th, 2015). "The \$500 Million Battle Over Disney's Princesses How Hasbro grabbed the lucrative Disney doll business from Mattel." Retrieved from <http://www.bloomberg.com/features/2015-disney-princess-hasbro/>

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