

Critical Thinking for Business Decisions

Student's Name

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### 1-1 Assignment: Critical Thinking for Decision Making

Disney, a global leader in entertainment, has skillfully executed a diversification strategy that spans various mediums and markets. This strategy includes venturing into television, theme parks, digital platforms, and international expansions and acquiring other entertainment entities like Pixar, Marvel, and Lucasfilm (Symes et al., 2017). Such moves broadened Disney's portfolio and fortified its market position across different demographics and geographies.

Critical thinking has played a pivotal role in Disney's decision-making process, enabling the company to navigate complex business environments successfully. By evaluating factors beyond simple pros and cons—such as potential long-term market trends, cultural shifts, and technological advancements—Disney has made informed decisions that capitalize on emerging opportunities and mitigate risks (Grenier & Kaepfel, 2023). This approach underscores the importance of a nuanced analysis that includes brainstorming, data examination, creativity, and strategic foresight, which is essential for thriving in today's dynamic business landscape.

#### **Application**

In the strategic diversification of Disney, critical thinking was paramount, involving rigorous analysis, evaluation, and reflection (Santiago & Skov-Carlsen, n.d.). For instance, Disney's acquisition of Pixar, Marvel, and Lucasfilm showcases an application of critical thinking in identifying synergies that could expand its market reach and content library. Disney evaluated the potential for these companies to enrich its storytelling capabilities and appeal to wider audiences, thus securing a competitive advantage in the entertainment industry.

The decision to diversify into streaming services with Disney+ is another example of critical thinking in action. Disney analyzed the shifting consumer preferences toward digital content consumption and evaluated the long-term benefits of owning a direct-to-consumer

platform (Mulla, 2022). This move required reflecting on the company's core competencies in content creation and leveraging them in a new, rapidly growing distribution channel.

These decisions underscore the critical role of thinking beyond immediate gains, focusing on sustainable growth and adaptation to technological advancements and changing market dynamics.

### **Analysis**

Disney's decision to diversify its business operations was driven by a comprehensive analysis of market trends, consumer behavior studies, and financial forecasts, utilizing facts, expert opinions, and industry reports (Santiago & Skov-Carlsen, n.d.). The strategic move towards acquiring major content creators like Pixar, Marvel, and Lucasfilm was influenced by the need to stay competitive in a rapidly evolving entertainment landscape and to cater to a broader audience with varied interests.

Economic factors, such as the rising demand for digital content and the shift towards streaming platforms, played a significant role. Disney recognized these trends and launched Disney+, a direct-to-consumer streaming service, to capture the growing online viewership and ensure a direct relationship with its consumers (Soares et al., 2022)

Strategically, Disney's diversification can be seen as steps to mitigate risks associated with over-reliance on traditional revenue streams and to explore new growth avenues in content creation, distribution, and technology. The company likely conducted an in-depth market analysis, evaluated potential acquisitions for synergy, and planned for an integrated approach to content distribution across its platforms.

### **Conclusion**

Disney's decision-making process is epitomized by a reliance on logic, evidence, and sound arguments, crucial for its successful diversification. This methodical approach, grounded in market analysis, consumer insights, and financial projections, enabled strategic decisions like acquiring major studios and launching Disney+ (Soares et al., 2022). The outcome of these strategies is a testament to Disney's success, which is reflected in Disney's improved financial performance, market share expansion, and increased brand value. The launch of Disney+, alongside acquisitions such as Pixar, Marvel, and Lucasfilm, diversified Disney's audience and content, enhancing its competitive edge and resilience in the market. This well-reasoned, evidence-backed strategy underscores Disney's leadership in the entertainment industry and its capacity to thrive amidst evolving market dynamics.

## References

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