

The CDM Company

Marketing Research Analysis
Disney Shorts Subscription Service



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- The most influential variable was whether or not our respondents consider themselves collectors of Disney-related products or not.
- A majority of respondents would not purchase a subscription -based service.
- There are not as many significant correlations between Disney fans and a new Disney-based product as anticipated.
- The majority of respondents were female 18-29.

Executive Summary

Background: **Business and Product**

The CDM Company, Inc.

The CDM Company, Inc. is a marketing consulting agency that helps consumer-oriented brands increase sales and drive brand awareness through strategic partnerships, engaging promotions, and proprietary products. CDM specializes in designing and manufacturing customized products for clients such as Carl's Jr., Hardee's, Taco Bell, El Pollo Loco, Yogurtland, and Loot Crate.

Disney Shorts

The CDM Company recently partnered with artist Francisco Herrera for the design and development of the collectible vinyl figure product called Disney Shorts. Disney Shorts vinyl figures made their debut in Mexico and have been wildly successful with the Disney-collectors fan base.



Background: **Business and Product**

Disney Shorts

There are only 1,000 unit-cases of the first series of Disney Shorts vinyls; their exclusivity and uniqueness makes them desirable among Disney fans. Disney Shorts claims to be “all about those little things that make a huge difference in life,” servicing the Disney-collectors segment in rich and meaningful ways. After a three-year hiatus from the company Facebook page, Disney Shorts recently posted in August of 2016, “Disney Shorts will come back soon, bigger and stronger than ever!” Fans now wait in anticipation for the next series to be released.



Business Opportunity

An opportunity exists to bring Disney Shorts to the United States market. While Disney Shorts were initially launched in Mexico, the U.S. market has not been officially exposed to the product. This provides an opportunity for CDM to launch the product in the United States in a new way.

Collectible vinyl figures have thrived in the United States with the introduction of Funko's POP vinyls. Many toy manufacturers such as Disney, Mezco Toyz, and Herocross have also entered the collectible vinyl figure market and have found their way into various retailers across the nation. While the majority of these manufacturers are selling their products to retailers with a B2B business model, CDM has the unique opportunity to distinguish Disney Shorts from its competitors by entering the market with a B2C business model. CDM could be one of the only manufacturers to sell collectibles directly to consumer by utilizing a subscription-based business model, thereby creating a Disney Shorts branded continuity program.



Business Opportunity

To validate launching in the U.S. as a subscription, we must test its feasibility within the collectible vinyl market. The size of this market can be loosely assessed by considering the success of three variables: Disney consumer products success, vinyl figurine success, and subscription-based services success.

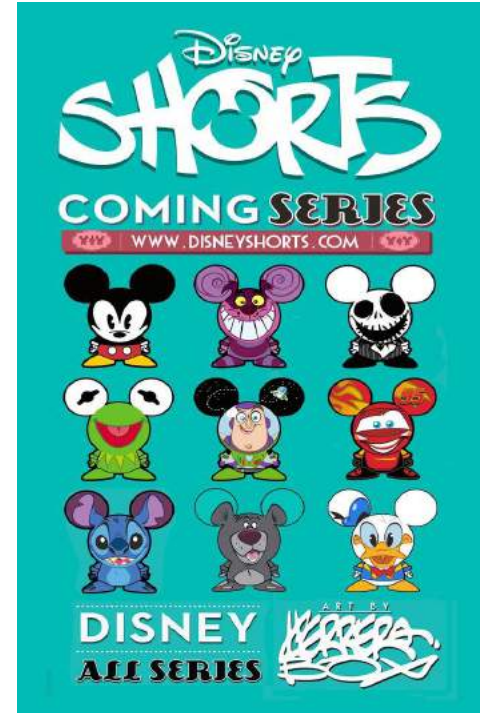
According to Statista, Disney Consumer Products is “the world’s largest licensor with global retail sales of \$52.5 billion in 2015.” While Disney Consumer Products is represented in a variety of products and markets, it is important that we also consider the size of the U.S. action figure market. The NPD Group’s Retail Tracking Service, which represents 80% of the U.S. toy retail market, estimated “the U.S. market size for the total toy industry to be in the \$25 billion range in 2015.” Action figures, alone, make up \$1.44 billion of this estimate (toyassociation.org). Lastly, the subscription commerce model is becoming increasingly popular among brands. Google Trends shows that consumer interest in subscription services has more than doubled from 2014 to 2015. Conducting research is vital to a proper product launch to have the product be well received by the target audience.



Our Hypothesis

We hypothesize that there is a large enough market in the United States for CDM to successfully launch the Disney Shorts product as a subscription-based service. Between the success of Disney Consumer Products, constant appeal of collectible figures, and increasing interest in subscription services, CDM can successfully adopt a subscription commerce model.

The focus of our study is concerned with CDM's product strategy. We wish to gain a better understanding of our target segment's response to Disney Shorts as a subscription service. Questions that will form the basis of our marketing research include: Is there a substantial desire for a Disney Shorts subscription service among our segment? Is the Disney Shorts product a good fit for the subscription commerce business model? Does our segment prefer to purchase this product occasionally through retail outlets or regularly through a subscription service?



Marketing Information Objectives

Primary/Survey Research

- Determine if our segment is currently using subscription-based services
- Gain a better understanding of how our segment values subscription services.
- Gauge our segment's response to a Disney Shorts subscription service.
- Learn more about the wants and unmet needs of our Disney-collectors segment.
- Measure the frequency of purchase for items in this product category.
- Measure the preferred method of purchase for items in this product category.
- Determine if our segment prefers to purchase collectible figures via retail outlets or subscription services.



Marketing Information Objectives

Secondary/Supplementary Research

- Understand where Disney vinyl figures are currently sold; determine which retailers and websites offer items in this product category.
- Assess what Disney-related subscription services exist and determine if our presumed segment is currently underserved.



Study Design

Sampling Procedures

Our research methods have been developed in a way that is mindful of our two target groups. We have labeled these two groups as “Disney Fans” and “Collectors.” Our interest in these two groups is what will ultimately help us define our target market for the Disney Shorts subscription service. Our presumed target market comes from a population of people who are Disney enthusiasts and who enjoy sharing, buying, and selling collectables of all kinds. By focusing on these two groups, we can validate the “Disney Fans” and “Collectors” as viable customers and can gain an understanding of the common traits that each of these groups have, whether it be demographic or psychographic.

We will contact these individuals in locations we feel they would most likely purchase, or be exposed to, our products--mostly in places where collectables are sold and bought, such as collectable shows, malls, the Downtown Disney District, and conventions. Our interviews will be conducted in person and online, with similar questionnaires for both mediums to maintain consistency.



Study Design

	Target Population	Location	Strategy
Method 1	Disney Fans	Downtown Disney	Intercept Interviews combined with Observational Studies (attempt Snowball sampling)
Method 2	Disney Fans	Disney Stores	Intercept Interviews combined with Observational Studies (attempt Snowball sampling)
Method 3	Disney Fans	Online Disney Communities	Self-Administered Questionnaires (attempt Snowball sampling)
Method 4	Collectors	Hot Topic	Intercept Interviews combined with Observational Studies (attempt Snowball sampling)
Method 5	Collectors	BoxLunch	Intercept Interviews combined with Observational Studies (attempt Snowball sampling)
Method 6	Collectors	Frank and Sons Collectible Show	Intercept Interviews combined with Observational Studies (attempt Snowball sampling)



Study Design

Sampling Strategy

We are using a **non-probability sampling** strategy, primarily due to the financial constraints and time restrictions that prevent us from conducting a probability sample.

Convenience sampling will be conducted face-to-face with an interviewer and the respondent at various retail locations, as well as digitally via an online survey software called Qualtrics. The Qualtrics survey will be a self-administered survey that respondents must complete on their own. The survey will be sent to respondents by email or via social media. It is important to get the survey to those interested in products similar to ours, but we will only be able to receive information for those that are willing to participate. To increase the likelihood of response, we will attempt to obtain a manufacturer's coupon for those who participate in the digital survey or for those who complete the in-person interview.



Study Design

Sampling Strategy

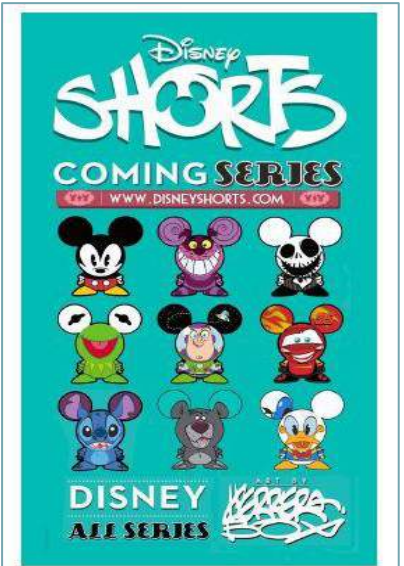
When conducting in-person interviews, we will use an **intercept methodology** and cover different “roaming zones” in our proposed locations to access more varied samples of the target groups. This roaming-intercept methodology involves walking through a roaming zone and selecting a number from 1-5, in which each individual or group qualifies as one entity, and picking from the flow of guests once that number is met. Although we do not have a comprehensive list of all of the individuals in our target market, this methodology most closely resembles **systematic sampling**. For example, there are four groups of people walking towards the surveyor, and the surveyor has picked the number 2 to intercept every second group of people. From that group, the surveyor will select an individual to conduct the study with. Once the study is complete, the surveyor will continue on selecting the next second group of people that crosses paths with him or her. This can be done with every third, fourth, or even fifth group that passes. If foot traffic does not permit us to utilize this methodology efficiently, the surveyor may choose to intercept every group that passes them.



Study Design

Sampling Strategy

A **snowball strategy** will be used during the in-person and online interviews. We will prepare a flyer with a scannable QR code for respondents to take with them and give to anyone they know who may be interested in a product like ours. We will also encourage respondents who take the survey digitally to use the shareable link provided to send the survey to a person who they think would be interested in our product. By the nature of a snowball strategy, the methodology cannot be confirmed of its success. However, we track the click-throughs on the sharable to link to determine how many respondents received the self-administered questionnaire via referral.



bit.ly/DisneyShortsSurvey



Data Collection **Methods**

Intercept Survey/Interview

We are utilizing intercept methodology to collect data because it is the most convenient and cheapest method while still being effective. This methodology helps maintain randomness by roaming in designated “roaming zones” and intercepting a random individual and conducting the study with that individual. We probe and clarify answers with the intercept, and avoid influence from their party to maintain clear responses.

Some concerns for the surveyor’s methodology, if an intercept’s group influences their answers, the surveyor must record what the respondent said, and not what they said after being influenced. If the group is interfering too much, the surveyor should thank the guests, terminate the study, and move on to their next intercept. It is also imperative that the surveyor read the questions verbatim to maintain clear, consistent messages to the respondent. Changing the wording on the question can alter the response or “lead” the intercept, so keeping the message the same is critical to having flawless data.



Data Collection **Methods**

Observational Research

In addition to utilizing the intercept methodology, we also want to observe, at a distance, the respondents body language. By observing body language we can tell whether a person is being Truthful/Positive or Deceptive/Negative. Examples of body language include behavior, eye contact, the tone in the respondent's voice, and the tone and timing of the respondent's answer. According to an article by John Bowden. These five categories can give an overall idea as whether our respondent is genuinely interested in our product or just entertaining our efforts.

Snowball Effect

Craft a flyer with product information and QR code that links to our survey. Give flyer to survey participants and encourage them to ask their Disney-fan friends to take the survey. This effect also takes place when we post the survey on social media and encourage viewers to tag their Disney-fan friends.



The **Results...**

Qualtrics and SPSS Statistics

The following results are derived from a convenience sample of 162 complete responses.



Our Sample

➤ 162 valid respondents

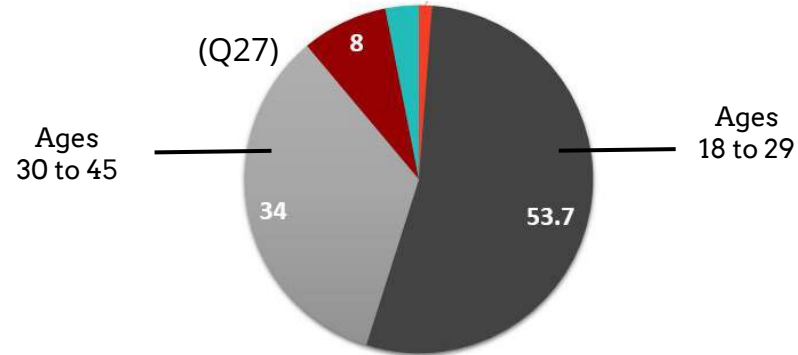
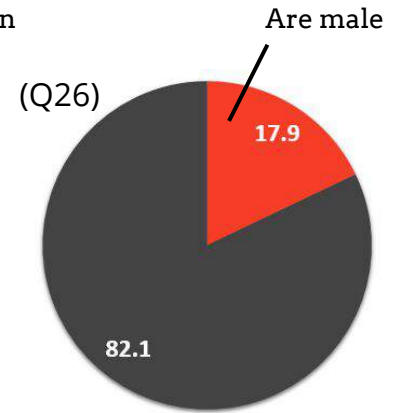
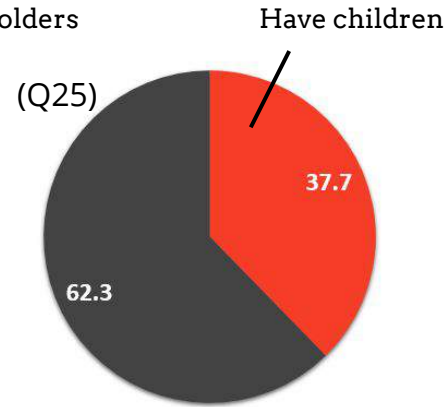
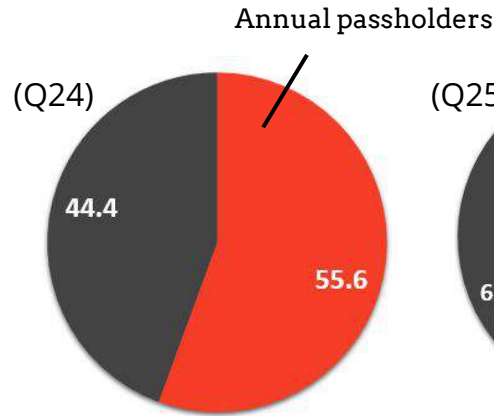
➤ 55.6% are annual passholders at a Disney Theme Park.

➤ 37.7% have children.

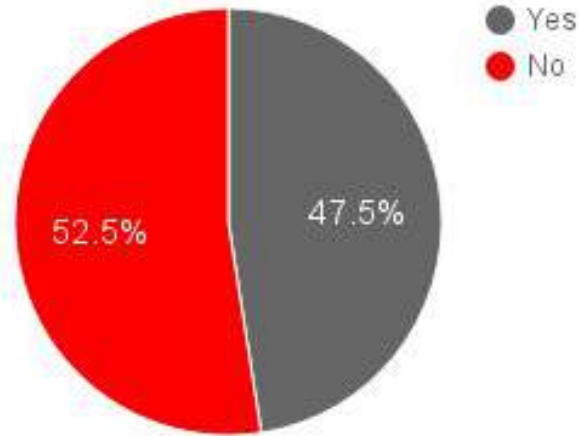
➤ 17.9% are male.

➤ 53.7% are ages 18 to 29.

➤ 34% are ages 30 to 45.



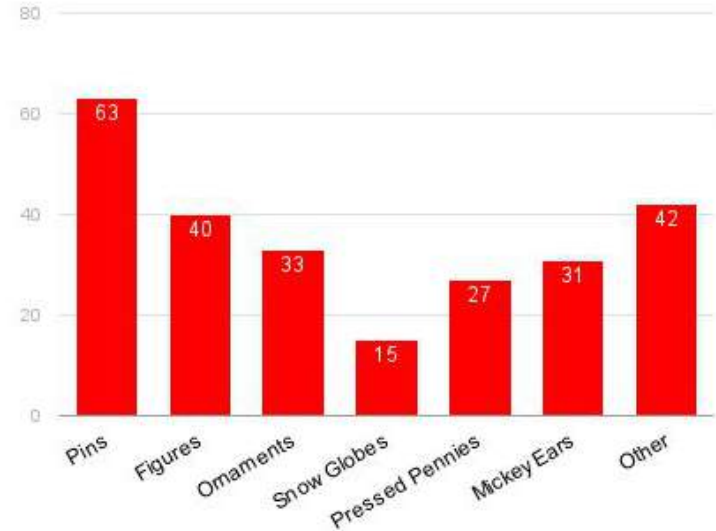
(Q4) Do you consider yourself to be a Disney merchandise collector?



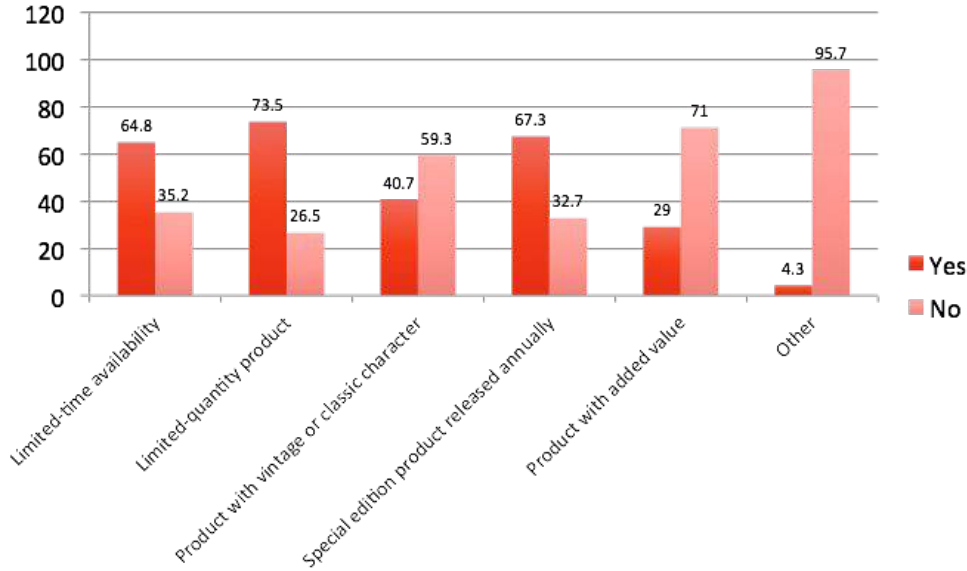
Majority of those that consider themselves to be merchandise collectors, choose to purchase pins.

The distribution between whether or not respondents consider themselves to be merchandise collector is almost split evenly.

(Q5) Which products do you collect?



(Q8) What do you consider to be an “exclusive” or “unique” product?

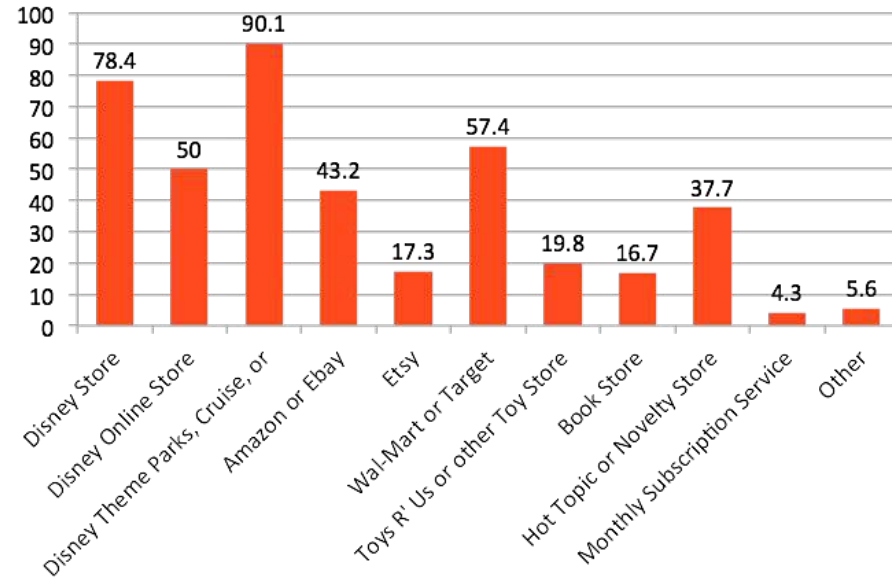


Disney Theme Parks, Disney Stores, Wal-Mart and Target, and the Disney Online Store are (respectively) the most popular ways to purchase Disney products.



A majority of people associate limited-time availability, limited-quantity, and special edition releases with “exclusive” or “unique” qualities.

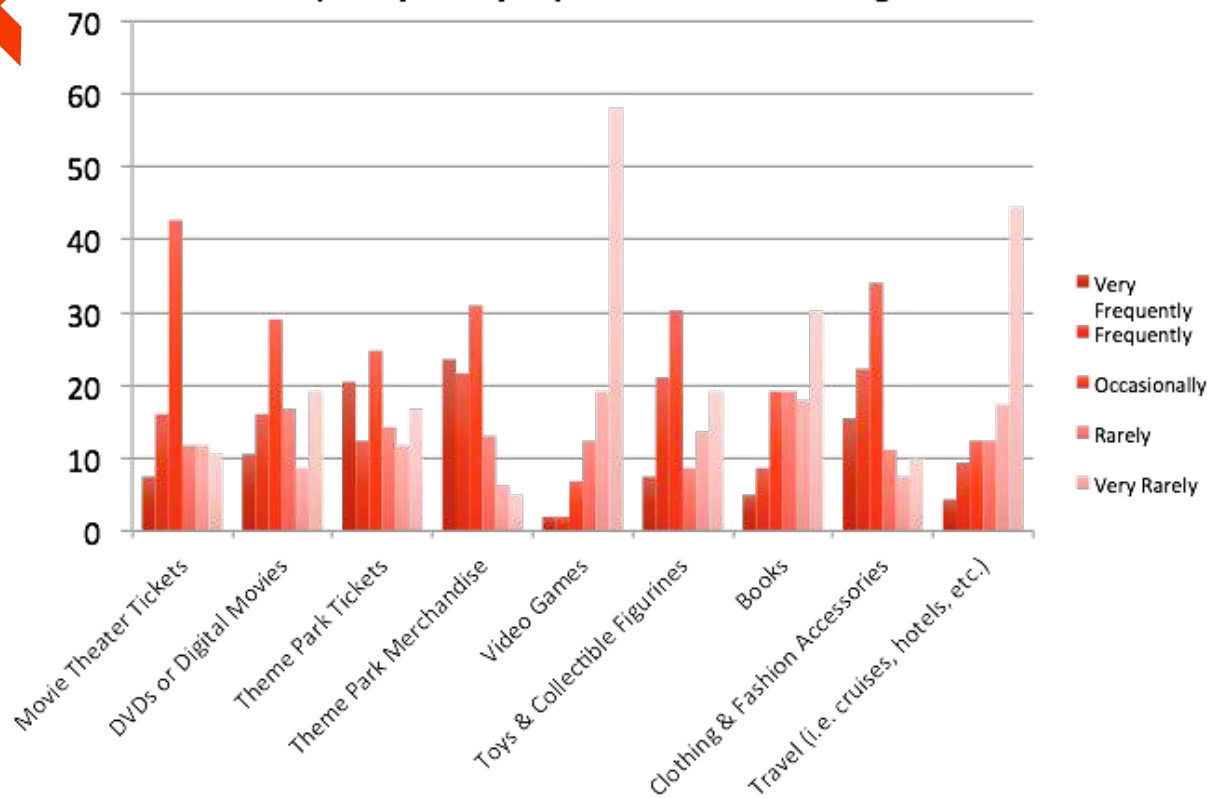
(Q9) Please select ways you have purchased or considered purchasing Disney products.



Respondents leaned slightly toward more frequent purchases in Disney-related movie theater tickets, clothing & fashion accessories, and theme park merchandise



(Q10) Of the Disney-related purchases you have made in the past year, how frequently have you purchased the following items?

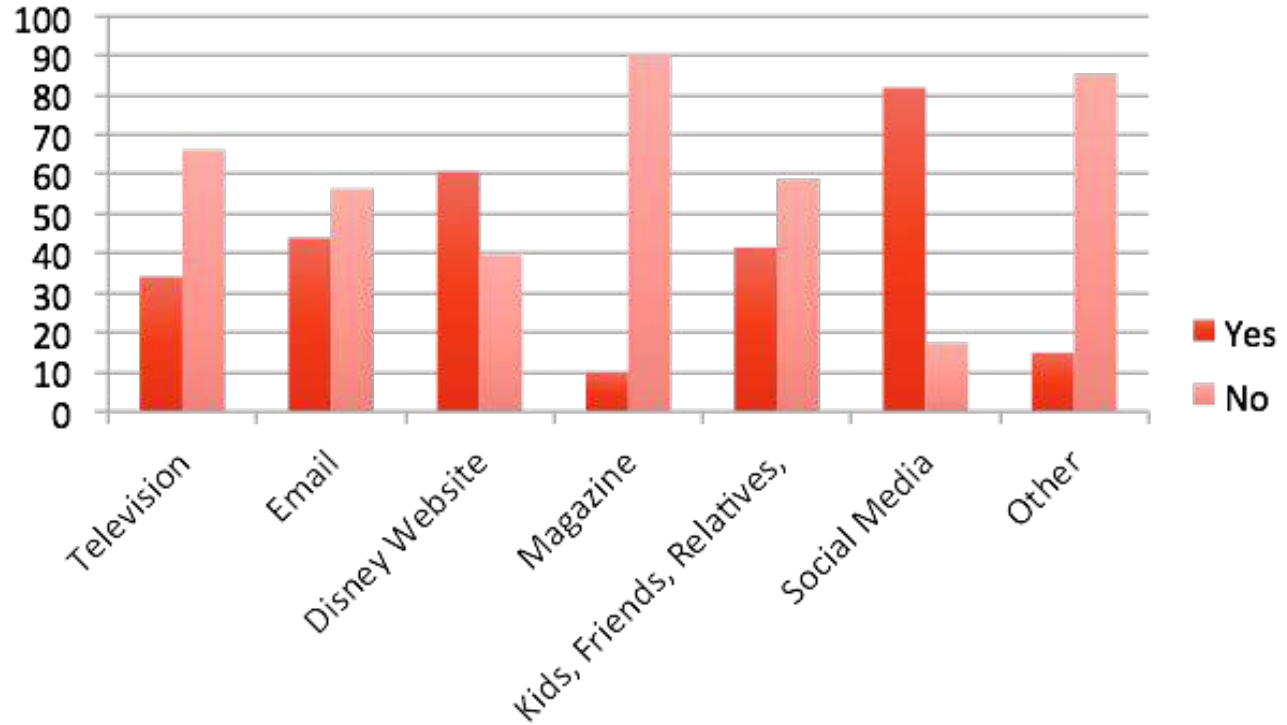


Purchases of toys & collectible figurines is fairly split between frequent and infrequent purchases.

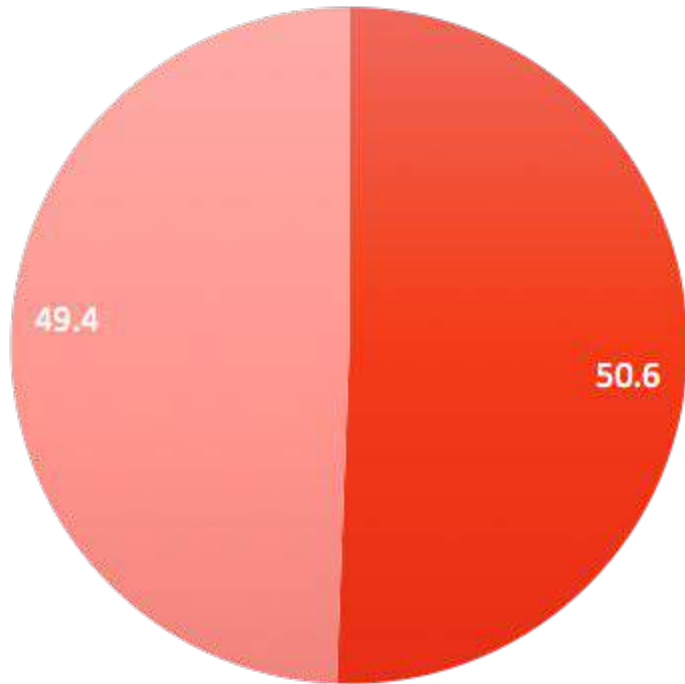
Strong majority of people find latest news about Disney-related products via social media compared to other platforms.



(Q11) Where do you find the latest news about Disney-related products?



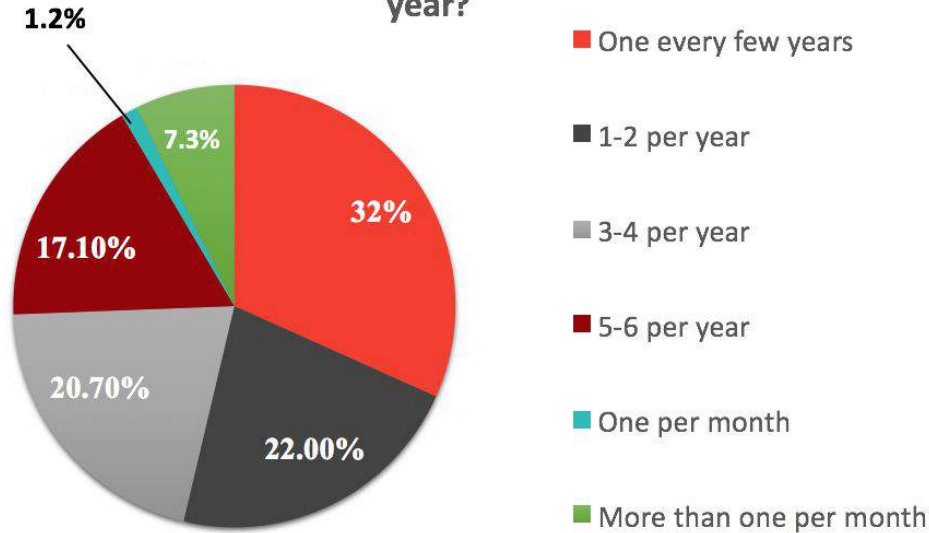
(Q14) Do you own any collectible figurines?



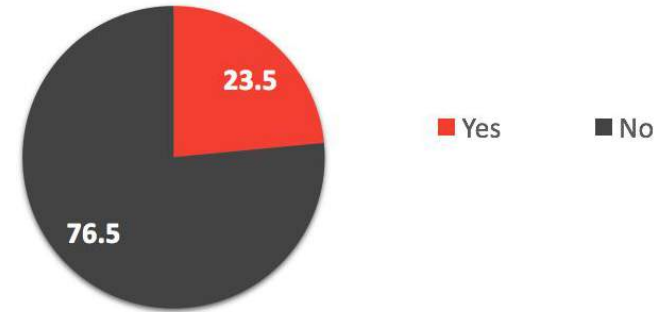
- Yes
- No

➤ Half of respondents own some kind of collectible figurine.

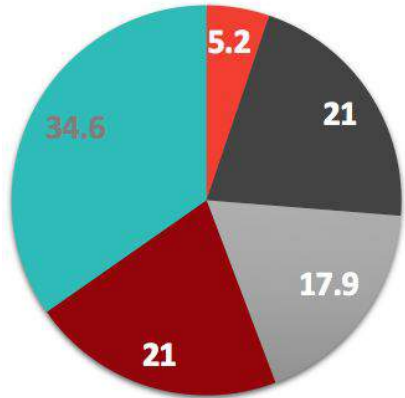
(Q15) How many collectible figurines do you purchase a year?



(Q16) Disney Shorts is a unique and exclusive line of collectible Disney figurine. Have you heard of Disney Shorts prior to this interview?

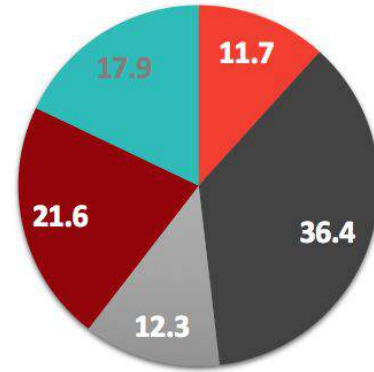


(Q17) How likely would you be to purchase Disney Shorts collectible figurines for YOURSELF?



- Extremely Likely
- Somewhat Likely
- Niether Likely nor Unlikely
- Somewhat Unlikely
- Extremely Unlikely

(Q18) How likely would you be to purchase Disney Shorts collectible figurines for SOMEONE OTHER THAN YOURSELF?

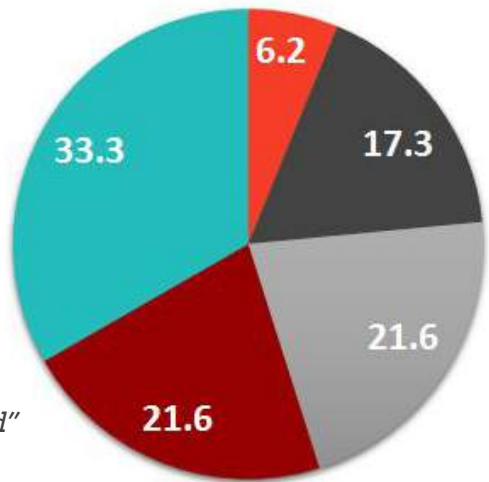


- Extremely Likely
- Somewhat Likely
- Niether Likely nor Unlikely
- Somewhat Unlikely
- Extremely Unlikely

(Q19) Please Rate the following in terms of preference when purchasing collectible figurines.



(Q21) How interested would you be in receiving a subscription to Disney Shorts collectible figures?



**Those who selected "Extremely Uninterested" were permitted to skip to (Q24).*

- Extremely Interested
- Somewhat Interested
- Neither Interested or Uninterested
- Somewhat Uninterested
- Extremely Uninterested

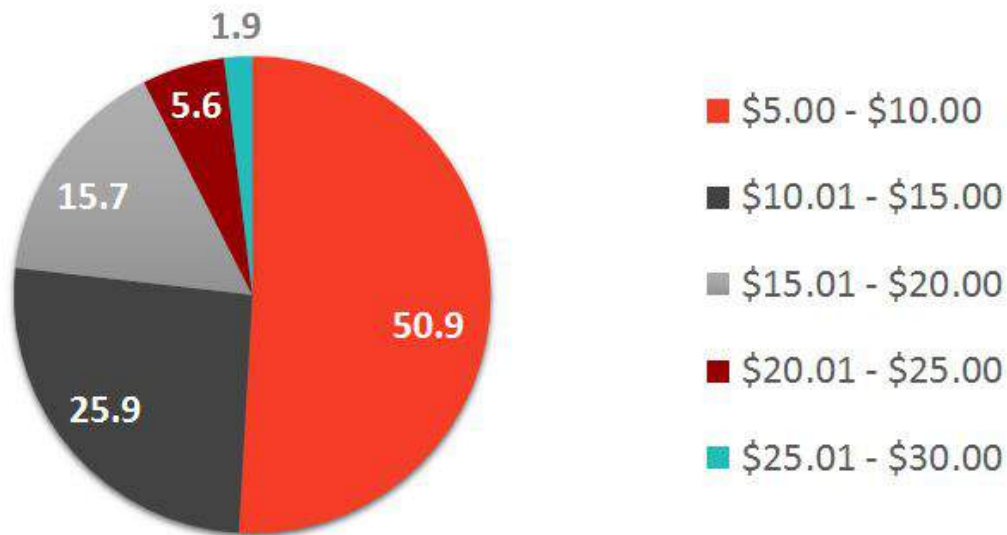


The majority of responses suggest that our sample is mostly uninterested in receiving a subscription to Disney Shorts collectible figures.

162 responses



(Q22) How much would you be willing to pay for a monthly subscription to Disney Shorts collectible figures?



**Does not include those who selected "Extremely Uninterested" in (Q21).*

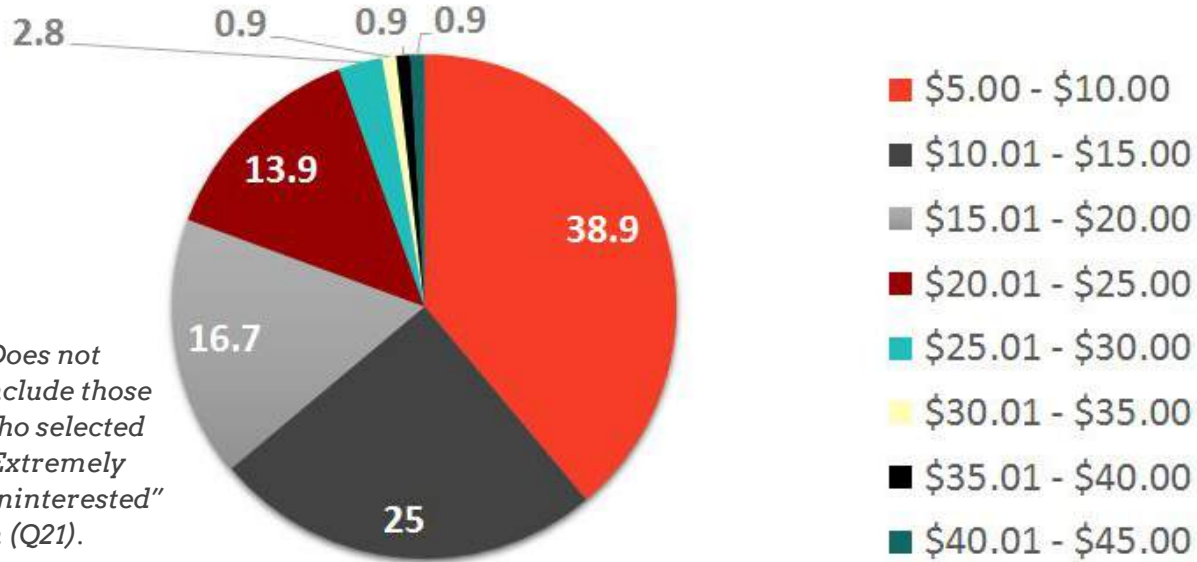


When given a choice, the overwhelming majority of respondents would prefer to pay within \$5.00 to \$10.00 price range for a monthly subscription to Disney Shorts collectible figures.

108 responses



(Q23) How much would you be willing to pay for a monthly subscription to EXCLUSIVE Disney Shorts collectible figures?



**Does not include those who selected "Extremely Uninterested" in (Q21).*



Although very similar to the previous question, there is a slight shift in the willingness pay more for a subscription to exclusive Disney Shorts collectible figurines.

108 responses



Conclusion

- Our data analyses resulted in a majority of statistical tests to deliver non-significant results, and as such our hypothesis is not supported nor can be denied from those findings.
- Due to our small sample, it was difficult to acquire statistically significant results for some of our objectives. However, some analyses did give insight to the market and who might be a good fit for Disney Shorts.
 - 30-45 year olds are more likely to consider themselves Disney merchandise collectors compared to other age categories. This may be a function of disposable income.
 - There is a strong correlation between those who would be interested in purchasing a Disney Shorts figurine for someone other than themselves and those who prefer to purchase in a retail store.
 - Respondents are willing to pay more for an Exclusive subscription to Disney Shorts than they are standard subscription to Disney Shorts figures.

Recommendations

- With a stronger budget, we recommend collecting a true random sample in order to have a more representative sample to better test potential target markets and their preferences toward purchasing Disney collectibles through a subscription service
- We also recommend considering selling standard Disney Shorts figurines in a retail setting. Upon further investigation, CDM may be able to launch a subscription for *exclusive* Disney Shorts figurines.
- We suggest targeting individuals ages 30 to 45, as this segment contains the majority of self-proclaimed “Disney merchandise collectors.” Further evidence could suggest this segment has more disposable income for this product.

Thank You



For Being Awesome!