Disney Consumer Products & Interactive Media

This business segment had $4.65 billion in revenue in 2018–a 4 percent decline from 2017.[44] This segment generates revenues through licensing Disney's characters to third parties for use in consumer merchandises, published materials, and in multi-platform games. Revenues are also obtained from selling merchandise, games, children's books, English language learning centers in China, and advertising. The segment operations include retail, online, and wholesale distribution through the Disney Store, DisneyStore.com and MarvelStore.com, and direct to retailers. For example, Disney is partnering with Target to create stores within stores.[45] This division also licenses its trade name, characters, and properties to manufacturers, game developers, publishers, and retailers throughout the world.[46]

This division is also home to one of Disney's new strategic initiatives into consumer streaming with Disney+, ESPN+, and Hulu. In 2018, Disney launched ESPN+, a sports streaming service that already has over 2 million subscribers in less than a year. In November 2019, Disney will launch Disney+ at half the price of Netflix's monthly subscription fee, and Apple+ streaming is launching at the same time with an even lower price.[47] Disney+ a direct-to-consumer streaming service is built around some of its most popular franchises from Star Wars to High School Musical. Disney will also bundle Disney+, ESPN+ and Hulu for $12.99 a month, making this content similar in cost to Netflix.

Technological change is continuing to reshape the media industry. Consumers are switching from watching cable TV to viewing content online via streaming services such as Netflix, and other interactive media. For example, the Disney Channel and Disney's ESPN have declining viewership.[48] In 2018, ESPN–the most expensive channel in any cable TV subscription–lost 2 million subscribers.[49] However, Disney also added 2 million subscribers to ESPN+, its new streaming services dedicated to sports coverage, events, and original sports programming. Yet, Disney continues to lose money on its streaming services as it attempts to grow its subscriber base.[50]