

Universal Pictures' SWOT Analysis and 4Ps & 4Cs Marketing Strategies in the Post-COVID-19 Era

Wenrui Fei^{1,*}, † Zeying Zhang², † Qiwen Deng³

¹ Shanghai Film Academy, Shanghai University, 200072, Shanghai, China

² HBU—UCLan School of Media, Communication and Creative Industries, Hebei University, 071002, Baoding, China

³ Information and Communication Engineering, Beijing Information Science and Technology University, 100020, Beijing, China

*Corresponding author. Email: wenrui2018@shu.edu.cn

†These authors contributed equally.

ABSTRACT

This study analyzes the marketing strategies and direction of Universal Pictures in the post-COVID-19 era. Based on the SWOT analysis of Universal Pictures' current situation, we identify the potential opportunities and threats of its three main businesses: film production, Universal Studios, and streaming. This research provides marketing mix strategies of 4Ps (Product, Price, Place, Promotion) and 4Cs (Consumer, Cost, Convenience, Communication) as suggestions for the company's future marketing plans. From the perspective of Product & Consumer, Universal Pictures can use high technology and vigorously develop streaming media platforms to meet the new needs of consumers in the post-COVID-19 era. From the perspective of Price & Cost, Universal Pictures can try a new business model that combines online and offline interaction. From the perspective of Promotion & Convenience, Universal Pictures can expand overseas markets while promoting movies on streaming platforms. From the perspective of Place & Communication, Universal Pictures can switch to online platforms and move into education areas. These analyses can serve as a reference for managers of Universal Pictures, which can also be useful for the entertainment industries in the post-COVID-19 era.

Keywords: Universal Pictures, Post-COVID-19, SWOT analysis, 4Ps, 4Cs.

1. INTRODUCTION

The global entertainment industry is a multi-billion dollar economy that exceeds several countries' annual gross domestic product [1]. However, the rapid spread of new corona virus throughout the world in 2019-2020 has had a huge impact on social development, such as the entertainment industries where various activities like movies and sporting events are being suspended [2]. From an economic point of view, the COVID-19 pandemic has intensified the debate among optimists, pessimists, and centrists about whether the world economic order is undergoing a fundamental change [3]. Now, more and more attention is paid to the methods of recovery in the post-COVID-19 era. As for the service industry, a new conceptual framework of resilience-building strategies is built for the service industry. This framework encompasses five major practical strategies and several sub-strategies. The proposed strategies

include market orientation, supply chain optimization, strategic corporate reorganization, innovation, and business model transformation. In addition, four major resources, including financial, human, social, and technological capital, are reviewed as prerequisites for adopting resilience-building strategies [4]. In the television and film industries, Hollywood will capitalize upon this current public health crisis as a motivator to adopt streaming platforms as the new preferred distribution mechanism of entertainment long after COVID 19 is a memory [5]. However, there is still a lack of in-depth analysis of the coping and marketing strategies of the entertainment industry and entertainment companies in the post-COVID-19 era. Without this part of analysis, the recovery of entertainment industry will be a long and difficult process. Even some smaller entertainment companies will be at risk of closing. In the post-COVID-19 period, we need to be prepared to live with the epidemic in the

long term, so a targeted analysis of the marketing strategies of entertainment industry is essential.

This paper aims to conduct in-depth analyses of Universal Pictures' situation and provide marketing suggestions for Universal Pictures in the post-COVID-19 era. SWOT analysis is used to find out the potential opportunities and threats of Universal Pictures. Then marketing mix strategies of 4Ps and 4Cs are offered as advice for the company's future marketing plans. Universal Pictures can focus on using high technology while vigorously developing streaming media platforms and expanding online and offline linkages to more areas and broader overseas markets. This study provides a reference for entertainment companies represented by Universal Pictures.

2. METHODOLOGY

2.1. Data collection

The data of this paper is mainly collected from Universal Pictures' official Weibo account [6] and Universal Studios' official Weibo account [7], such as comments showing the expectation of a new movie or reviews of Universal Studios' events and shows. Universal Pictures' official Weibo account has 4.11 million followers and Universal Studios' official Weibo account has around 150,000 followers. The reviews were selected within three months, from April 22th, 2021, to July 23th, 2021, with a total of 723 comments from Universal Pictures and 374 comments from Universal Studios. The review comments are publicly accessible.

2.2. Data analysis

The analysis of Universal Pictures' coping and development strategies in the post-COVID-19 period is divided into three stages. The first stage is to use the SWOT analysis to summarize the competitive advantages and challenges of Universal Pictures. In the second stage, there is a brief introduction and interpretation of the 4Ps and 4Cs of Universal Pictures. In the third stage, marketing mix strategies of 4Ps and 4Cs are given as suggestions for Universal Pictures' future marketing plans.

3. SWOT ANALYSIS

Ken Andrews first proposed SWOT analysis in 1971. It pointed out that an enterprise could use its own advantages to find and exploit opportunities, overcome shortcomings and deal with threats [8]. Universal Pictures has relatively mature and perfect approaches and strategies. In the traditional film and television industries, Universal Pictures has many unique strengths. Definitely, there are also some weaknesses which need us to analyze rationally. Based on the

SWOT analysis of Universal Pictures, we find some key points (Table 1).

3.1. Strength

3.1.1. Brand influence

Universal Pictures is one of Hollywood's longest and strongest established companies. According to the financial report of Universal Pictures' second quarter of 2020, the revenue of film and television modules was \$6.124 billion, of which broadcast TV revenue was \$2.364 billion, movie revenue was \$1.194 billion, and theme park revenue was \$87 million. As the original driver of the window revolution, Universal Pictures will remain Hollywood's top three in the coming years, thanks to its partnership with AMC and traffic from its streaming platform Peacock [9]. Universal Pictures has a strong brand influence and a lot of loyal consumers who are willing to pay for its films and IP. As a result, Universal Pictures can still maintain its long-held popularity with consumers in the post-COVID-19 era when it changes direction from traditional theaters to streaming.

3.1.2. Innovative development by actively responding to consumer needs

Universal Pictures' films are constantly adapting to the needs of people worldwide, both in the choice of film themes and the way of shooting. Proactive response to consumer needs can increase consumer satisfaction with Universal Pictures. Consumer satisfaction has been one of the essential characters that managers should focus on [10]. In this instance, Universal Pictures is actively working with multinational brands to release films for all consumers, targeting the entire market to attract more consumers and gain consumer value. While actively exploring the overseas market of the film industry, Universal Pictures has also made technological innovations by using IMAX, 4D to give audiences a better viewing experience.

3.1.3. Immersive Experience of Universal Studios

In Universal Studios, visitors can learn more about the filmmaking process and have adventures as characters in the movies. Immersive experiences can increase customers' goodwill towards Universal Studios. The more sensory experiences involved in marketing, the greater the receptiveness of consumers to product information. The synergy of multiple senses can make the brand image clear, three-dimensional, and rich, thus increasing the brand's added value [11]. Universal Studios enables every consumer to understand the behind-the-scenes story of film production by using

Table 1. The SWOT matrix of Universal Pictures

External Factors Measures Internal Factors	Strengths 1. Brand influence 2. Innovative development by actively responding to customer needs 3. Immersive Experience of Universal Studios	Weaknesses 1. Business scope is not very broad 2. Universal Studios are overpriced
Opportunities 1. Streaming platforms bring new ways to watch movies 2. Technology for the future	S+O 1. Strong brand influence and loyal fans make Universal Pictures easier than other companies in the industry to drive business development 2. Change direction from traditional theaters to streaming in time	W+O 1. Narrow range of businesses makes Universal Pictures hit during COVID-19 2. Develop high technology vigorously
Threats 1. The threat from companies in the same industry 2. The impact of the post-COVID-19 era	S+T 1. Expand overseas markets while promoting movies on streaming platforms 2. Competition between the major established entertainment companies intensifies in the post-COVID-19 era	W+T 1. Find out the appropriate development direction through COVID-19 2. Pay more attention to the advantageous businesses and focus on their development

more than 40 special effects and advanced VR technology to enhance the audio-visual experience, giving visitors a richer immersive experience.

3.2. Weakness

3.2.1. Business scope not very broad

Universal Pictures has a relatively narrow range of businesses, operating mainly in film production, Universal Studios, and streaming. By comparison, its rival Disney has diversified businesses like publishing, stage production, cruises, television, etc. When faced with the impact of COVID-19, with less business, the capacity of Universal Pictures to face risk is low. Thus, it is difficult to compensate for the impact on Universal Pictures' business areas from its own domain.

3.2.2. Universal Studios are overpriced

Consumers are more likely to buy the product when product information is presented before price promotion than when product information is presented after price promotion [12]. However, the service of Universal Studios is the first thing that consumers buy before they experience it, and it can be found in the comments of its official Weibo account that the ticket price and internal commodity price are high, which greatly reducing the consumer group of Universal Studios. The phenomenon of overpricing is unfavourable for the development of Universal Studios.

3.3. Opportunities

3.3.1. Streaming platforms bring new ways to watch movies

Because of COVID-19, theaters have to close, and consumers are stuck at home eager for a new film, promoting studios to explore digital substitutes. As a strong player in the film industry, Universal Pictures has shifted its direction to online on-demand distribution, which offers lower prices and profits than theaters, reducing the damage to the film industry during the COVID-19 era. For example, Universal Pictures released Trolls World Tour on streaming platforms. The movie turned out to be a digital blockbuster, earning far more in its first three weeks of digital release than its 2016 predecessor.

3.3.2. Technology for the future

The demand for outdoor recreation will be stronger or even show explosive growth after the suppression of the epidemic. The combination of high technology such as VR, AR will give people a greater sense of experience. As time goes on, when the epidemic is unstable and erupts again, it will be possible for consumers to visit Universal Studios and theme parks in the cloud with the help of high technology.

3.4. Threats

3.4.1. The threat from companies in the same industry

The post-COVID-19 era has seen a number of small entertainment companies close down due to the epidemic, and monopolies have become more serious, which means that competition between the major established entertainment companies has intensified. A big threat to Universal Pictures comes from its competitors. For example, Disney, Warner Brothers, Sony are strong competitors of Universal Pictures. Like traditional TV and Film companies with a lot of experience, they have the same consumer goals as Universal Pictures, so they have some similar strategies. It also motivates each other to keep innovating and turn competition into an engine of progress.

3.4.2. The impact of the post-COVID-19 era

With the threat of COVID-19, people need to cut back on party and other ways of entertainment, which is a huge threat to most industries around the world. For Universal Pictures, studios and film production are the two main businesses greatly affected during the epidemic. Many theaters have to close, and films have to be suspended. Therefore, Universal Pictures needs to timely adjust its strategies and make changes, such as transforming the traditional movie business into streaming platforms.

3.5. S+O

Under the influence of the COVID-19, the development direction of the film industry has been affected, and the streaming media will go mainstream and be accepted by more and more consumers. Universal Pictures should seize the opportunity, changing direction from traditional theaters to streaming in time. Besides, Universal Pictures has a strong brand influence and loyal fans, which will make it easier than other companies in the industry to drive business development.

3.6. W+O

Universal Pictures has a relatively narrow range of businesses, so parts of its businesses are hit during COVID-19. The main reason is that people can only stay at home and have no access to these businesses. In this case, the demand for entertainment at home will greatly increase. So under the circumstances, Universal Pictures can seize this opportunity to vigorously develop high technology such as VR, AR, etc.

3.7. S+T

In the post-COVID-19 era, competition between the major established entertainment companies has intensified. What Universal Pictures needs to do at this point is to actively respond to customers' needs and try to satisfy them. In the post-COVID-19 era, people's need for entertainment does not diminish, so Universal Pictures can expand overseas markets while promoting movies on streaming platforms.

3.8. W+T

Since the businesses involved are not broad enough, Universal Pictures was hit in the early stage of COVID-19. Therefore, Universal Pictures should find out an appropriate development direction through this threat, and pay more attention to the advantageous businesses and focus on their development.

4. BASIC CONNOTATION OF 4PS AND 4CS MARKETING THEORY

4.1. Basic Connotation of 4Ps

Jerome McCarthy first proposed the concept of 4Ps in 1960, namely, Product, Price, Place, and Promotion. Jerome believed that to meet target consumers' needs, a marketing mix composed of the four Ps could be adopted in the overall business environment, and they interact significantly with one another [13]. As for product, there are three main businesses of Universal Pictures: Film Production, Universal Studios, and Streaming. About price, Universal Pictures is a company that has worldwide access, so the marketing mix pricing strategy of the company's products will be high. The charges are high for theme parks and hotels. Regarding place, because of COVID-19, most theaters are closed, and it has moved blockbusters to 2021 or straight to streaming services. As for promotion, Universal Pictures promotes itself in a rigorous manner. It is a media company, and thus it makes itself felt in the media world through various channels, such as the Internet, magazines, television, adwords, etc. [14]. As can be seen from Figure 1.

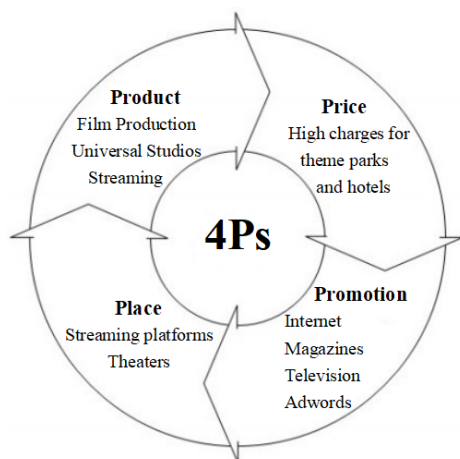


Figure 1. The 4Ps of Universal Pictures

4.2. Basic Connotation of 4Cs

Due to the constant change of the modern market environment, the defects of the traditional 4Ps theory are gradually revealed. In 1990, professor Robert F. Lauterborn put forward a new marketing model centered on consumers —the 4Cs theory, namely, Consumer, Cost, Convenience, and Communication [15]. About consumer, Universal Pictures is focused on consumer demand and brand experience. Because of COVID-19, Universal Pictures has researched streaming platforms to provide consumers with what they want to watch without going out. As for cost, to meet the affordable demand of consumers, Universal Pictures comprehensively control the cost of consumption, but the production of each film never compresses the cost. Each film is carefully designed to give consumers the best viewing experience. Regarding convenience, Universal Studios have good locations, largely meeting consumers' requirements for convenient travel. Besides, consumers can conveniently and efficiently complete Universal Studios' information queries, reservations, confirmations and payments without leaving home. As for communication, every staff in Universal Studios is enthusiastic and good at communication, greatly reducing consumers' strangeness and creating a relaxing atmosphere (Figure 2).

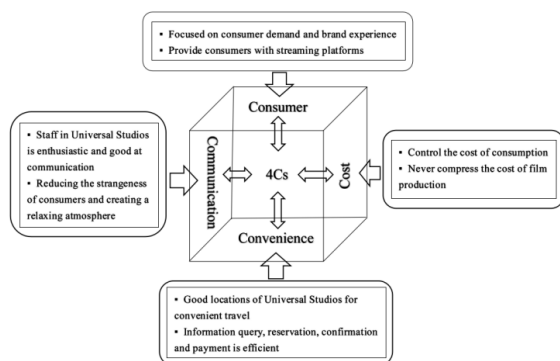


Figure 2. The 4Cs of Universal Pictures

4.3. Relationships between 4Ps and 4Cs

Compared with the traditional product-oriented 4Ps theory, 4Cs theory is consumer-oriented. However, it does not mean that 4Cs have replaced 4Ps. Although 4Cs are more in line with the needs of today's market development and inevitable response to the trend of consumers taking more active positions in marketing, 4Ps are still the four essential points for enterprises to carry out marketing. In fact, 4Cs are related to 4Ps. 4Ps are purposes, and 4Cs are results [16]. Based on an in-depth analysis of the strengths and weaknesses of Universal Pictures, we combine 4Ps and 4Cs theories, and then put forward relevant suggestions for the marketing mix strategies of Universal Pictures.

5. THE MARKETING MIX STRATEGY OF 4PS AND 4CS FOR UNIVERSAL PICTURES

5.1. Product & Consumer

Product & Consumer means that with the consumer's needs as a guide and a specific consumer group as a reference to find the entry point to meet the needs of this consumer group and develop new products [17]. A high level of customer satisfaction is argued to lead to stronger company image, protection of current market share, increased customer loyalty, decreased customer complaints and strengthened financial performance [18]. Universal Pictures has so many loyal fans so that it is easier than other companies in the industry to drive business development.

5.1.1. Post-COVID-19 era, high-tech brings stronger experience

In the post-COVID-19 era, many theme parks, including Universal Studios, are at risk of being called off at any time due to the epidemic. But the call-off situation cannot diminish the desire for people to enter theme parks. In the future, Universal Studios can be combined with advanced technology, giving customers a stronger sense of experience. For instance, the popularity of 5G and the expansion of AR and VR will likely dramatically impact people's life.

5.1.2. Post-COVID-19 era, streaming media platforms have great potential for growth

In the post-COVID-19 era, cinemas are still at risk of shutting down. Universal Pictures will face huge losses. However, facing the closure of cinemas, consumers' demand for watching films will not decrease but even increase. If users can accept on-demand online services, there is no doubt that a large amount of revenue can be obtained. Streaming provides a better platform for film promotion. Streaming movies online is

a new experiment for Universal Pictures, especially at a reasonable price range.

5.2. Price & Cost

Price & Cost means that companies seek high profits while consumers look for the lowest price. It seems irreconcilable between the highest profits and the highest quality goods. Still, the development of the new market economy requires that both must be met for the business's survival [17]. Universal Studios' resorts and theme parks charge a lot of money. But some consumers wrote in their Little Red Book that "The prices are not as outrageous as rumoured and the wand-wise is not very expensive." In the case of Universal Pictures, the experience makes the ticket price worthwhile.

From consumers' point of view, the nature of people seeking goods value for money will not change in the post-COVID-19 era. However, against the backdrop of the epidemic severely impacting the total consumption of lifestyle services, there has been a significant increase in the consumption of online lifestyle services [19]. For Universal Pictures, it cannot cut corners to reduce costs. Universal Pictures can try to go for a sales model that combines online and offline interaction while ensuring quality. This strategy increases the whole volume of consumers while reducing the flow of consumers to the physical shops, helping adapt to the problems of crowd limits in the post-COVID-19 era.

5.3. Promotion & Convenience

Promotion & Convenience means that a company which can develop and implement consumer-friendly promotions will stand out from the clutter and win more loyal consumers than its competitors. Convenience is one of the main marketing considerations for companies. Maximizing convenience for consumers will provide a competitive advantage for businesses.

In the post-COVID-19 era, people's travel plans will be affected to some extent, so more importance will be put on convenience. This is why convenience can be emphasized in publicity. Streaming platforms and overseas markets can facilitate online consumers and overseas consumers. In the post-COVID-19 era, streaming platforms provide a better way for film promotion. While Universal Pictures is actively exploring overseas markets, it also improves the economy of its films, reduces costs, and narrows differences.

5.4. Place & Communication

Place & Communication means finding product differences and consumer motivations through geographic positioning. Then the need for a brand appearing in the right place at the right time is

constantly satisfied. It provides consumers with useful information and a good experience. Whether it is a distribution channel or a service channel, companies should communicate the right positioning to real and potential consumers [20].

In the post-COVID-19 era, Universal Pictures' consumers are at risk of being diverted, so it is more important to understand consumers and find appropriate sales channels. Universal Pictures' films are the basis for its studios' expanded themes, which will give audiences an immersive experience. In addition to intra-industry communication, multi-sectoral communication is equally important. Universal Pictures can gradually expand into various fields of the industry, especially in the education field, because people are paying more and more attention to the education of their next generation. If Universal Pictures combines education with the right IP, it has the potential to develop into an important cultural industry.

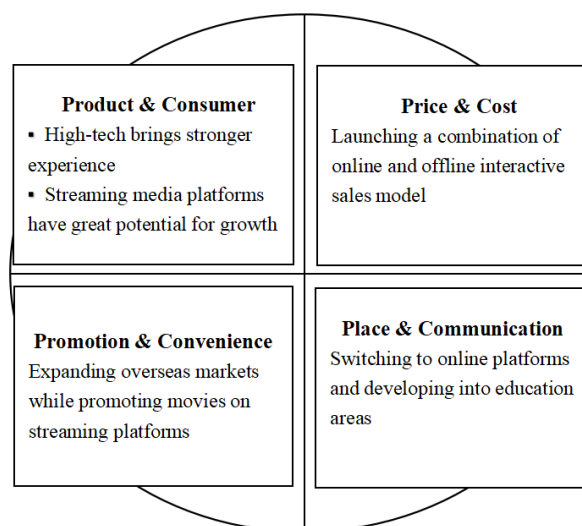


Figure 3. Marketing mix strategy of 4Ps and 4Cs in Universal Pictures

6. CONCLUSION

This article made an in-depth analysis and research on Universal Pictures' coping and marketing strategies in the post-COVID-19 era, and then gave strategic recommendations. The paper explored the strengths and weaknesses of Universal Pictures by using SWOT analysis, and then the marketing mix strategies of 4Ps and 4Cs were provided as suggestions for its future growth. From the perspective of Product & Customer, we advised Universal Pictures to use high technology and vigorously develop streaming media platforms. From the perspective of Price & Cost, Universal Studios could try to go for a sales model combining online and offline interaction in the post-COVID-19 era. From the perspective of Promotion & Convenience, we recommended that Universal Pictures expand overseas

markets while promoting movies on streaming platforms. From the perspective of Place & Communication, Universal Pictures could switch to online platforms and develop into education areas. This study can provide some valuable marketing advice for managers of Universal Pictures. What's more, it's meaningful for some relevant entertainment industries to develop marketing strategies in the post-COVID-19 era.

REFERENCES

- [1] Nhamo, G., Dube, K., & Chikodzi, D. Implications of COVID-19 on gaming, leisure and entertainment industry. In *Counting the Cost of COVID-19 on the Global Tourism Industry*. Springer, Cham. 2020. pp. 273-295. DOI: 10.1007/978-3-030-56231-1_12
- [2] Moon, Sarah. Effects of COVID-19 on the Entertainment Industry. *IDOSR Journal of Experimental Sciences* 5.1 (2020): 8-12. DOI: <https://www.idosr.org/wp-content/uploads/2020/04/IDOSR-JES-51-8-12-2020.-P2.pdf>
- [3] Wang, Zhaohui, and Zhiqiang Sun. From globalization to regionalization: The United States, China, and the post-Covid-19 world economic order. *Journal of Chinese Political Science* 26.1 (2021): 69-87. DOI: <https://link.springer.com/article/10.1007/s11366-020-09706-3>.
- [4] Huang, Arthur, and Melissa Farboudi Jahromi. Resilience building in service firms during and post COVID-19. *The Service Industries Journal* 41.1-2 (2021): 138-167. DOI: <https://www.tandfonline.com/doi/full/10.1080/02642069.2020.1862092>.
- [5] Johnson, Michael. Hollywood survival strategies in the post-COVID 19 era. *Humanities and Social Sciences Communications* 8.1 (2021): 1-8. DOI:10.1057/s41599-021-00776-z
- [6] Official Weibo Account, "Universal Pictures" DOI:<https://weibo.com/u/2108175657>
- [7] Official Weibo Account, "UNIVERSAL CITY STUDIOS LLC" DOI: <https://weibo.com/u/2431732673>
- [8] Fleisher, Craig S., and Babette E. Bensoussan. *Strategic and competitive analysis: methods and techniques for analyzing business competition*. Upper Saddle River, NJ: Prentice Hall, 2003.
- [9] Make movies together. "The six major Hollywood studios reported their second-quarter earnings for 2020" (2020) DOI: https://www.sohu.com/a/412347626_699621
- [10] DAM, Sao Mai, and Tri Cuong DAM. Relationships between Service Quality, Brand Image, Customer Satisfaction, and Customer Loyalty. *The Journal of Asian Finance, Economics and Business*, vol. 8, no. 3, Korea Distribution Science Association, Mar. 2021, pp. 585–593, DOI:10.13106/JAFEB.2021.VOL8.NO3.0585.
- [11] Martin Lindstrom. *Sensory branding*. Translated by Zhao Mengmeng. Tianjin: Tianjin Education Press, 2011; pp. 47-48
- [12] Zhang Weidong. A study on the influence of the presentation order of product information and price promotions on consumers' purchase intention. 2017. Shanghai Foreign Studies University, MA thesis.
- [13] McCarthy, Edmund Jerome, Stanley J. Shapiro, and William D. Perreault. *Basic marketing*. Ontario: Irwin-Dorsey, 1979.
- [14] MBA Skool Team, "NBCUniversal Marketing Strategy & Mix (4Ps)" (2017) DOI:<https://www.mbaskool.com/marketing-mix/services/16912-nbc.html>
- [15] Kotler, Philip, and Ronald E. Turner. *Marketing management: Analysis, planning, implementation, and control*. Vol. 9. Upper Saddle River, NJ: Prentice hall, 1997.
- [16] Wang Keping, et al. The 4P and 4C marketing concepts of university libraries in China based on SWOT analysis. *Library Theory and Practice* .02 (2013): 75-78. DOI:CNKI:SUN:LSGL.0.2013-02-025.
- [17] Wang Yu. Exploring the application of 4P and 4C combination in corporate marketing. *Finance and Accounting Learning* .08 (2019):191. DOI:CNKI:SUN:CKXX.0.2019-08-152.
- [18] Hallencreutz, Jacob, and Johan Parmler. Important drivers for customer satisfaction—from product focus to image and service quality. *Total quality management & business excellence* 32.5-6 (2021): 501-510. DOI: 10.1080/14783363.2019.1594756
- [19] Lai Youwei, et al. The development trend of China's service consumption after the epidemic and policy suggestions to promote consumption backfill. *Development Studies* .05 (2020):30-40. DOI:CNKI:SUN:FZYJ.0.2020-05-005.
- [20] Duboff, R., Potin, D., & Rodrigo, D. *Positioning marketing: A new way for brands to communicate*. Sound Screen World, 4. 2014.