

# ***Business Analysis of Universal Studios – Comparison with Disney***

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**Abstract.** Since the pandemic, the global theme park industry has entered a recovery phase. Park operators have engaged in fierce competition through technological upgrading and IP development targeting different visitor groups, leading to stark divergences between Disney and Universal in their development paths and operating performance. Taking Disney and Universal Studios as research subjects, this paper explores the core logic behind Universal's long-term leading position in the industry by comparing their financial statements, investment costs, profit data and passenger flow performance. Drawing on TEA industry attendance reports, corporate quarterly financial data and third-party passenger flow monitoring indicators, this study demonstrates Universal's competitive strengths from four dimensions: capital strength, multi-age audience coverage, Artificial Intelligence (AI) digital layout and exclusive film IPs. It also identifies common operational risks faced by both brands, such as operational hazards caused by over-reliance on AI, value illusions arising from heavy IP investment, and unbalanced resource allocation, all of which further consolidate Universal's long-term dominant edge in the industry.

**Keywords:** Business analysis, universal studios, Disney

## **1. Introduction**

Against the background of development in the new era, the global theme park industry has already gone through a transformation process of more than ten years, and this industry has gradually developed a relatively mature commercial system, into which advanced technology, branded intellectual property content, and integrated resort operation models have been incorporated; in the early stage of industry development, theme parks mainly used simple mechanical rides to draw in visitors, and at that time the source of revenue was basically limited to ticket sales alone; as residents' disposable income rose, theme parks successively added catering, accommodation, merchandise sales, and experience activities to their business scope. As residents' disposable incomes increased, theme parks gradually expanded into catering, accommodation, merchandise, and experiential activities. Meanwhile, technological advancements in augmented reality (AR) and virtual reality (VR) significantly enhanced visitors' digital entertainment experiences, enabling diversified marketing strategies. By the year 2025, the global theme park market size had already exceeded 80 billion US dollars, and the Asia-Pacific region became the major area driving growth, with Disney and Universal Studios consistently holding the top two positions in the industry, and

these two companies, by relying on their complete copyright content ecosystems and mature smart operation systems, together took up more than half of the market share, and from this a market pattern dominated by a few major players was formed; after the COVID-19 pandemic ended in 2022, the theme park industry gradually returned to normal operations, and Disney and Universal adopted quite different practices in technology application, copyright resource utilization, and visitor flow management; most of the existing studies only carry out analyses on individual parks, and they lack comparative examinations of financial data, visitor composition, and digital technologies, therefore it is rather difficult to fully grasp the advantages that these two leading brands possess in long-term competition as well as the risks existing in their operations; this study, through analyzing the financial reports of Disney and Universal Beijing Resort, TEA visitor statistics, and official visitor flow data, examines Universal's long-term advantages from four aspects, namely investment and operations, visitor characteristics, smart technology applications, and exclusive copyright resources, and it also points out problems such as excessive reliance on smart technology, overemphasis on copyright assets, and insufficiently balanced resource allocation, and corresponding improvement suggestions are proposed for these issues; the purpose of this study is to reveal the internal reasons why Universal maintains its leading position in the industry, and at the same time it can also provide some reference ideas that may be useful for the long-term development of cultural tourism projects.

## 2. How Universal Studios may take a dominant position in future development compared with Disney

### 2.1. Analysis of recent costs and profitability

According to publicly available fiscal year 2026 theme park segment reports released by Comcast and Disney, as well as annual attendance statistics published by TEA (Table 1), Universal Studios' global theme park segment achieved significant year-on-year growth in both revenue and profitability. This growth was largely driven by the development of new parks. For example, the opening of the Epic Universe park in Orlando generated substantial increases in visitor traffic and revenue. Theme Park costs mainly consist of three components: new park development, existing park maintenance, and IP licensing royalties. As shown in Table 1, EBITDA growth (33.3%) exceeded revenue growth (24.2%), indicating improved marginal profit per visitor and enhanced operational efficiency. The parks have thus generated exceptionally high returns over the past two years.

Table 1. Comcast theme park segment operating indicators (Q1 2025-Q1 2026)

| Indicator                        | Q1 2026 | Q1 2025 | Year-on-Year Change |
|----------------------------------|---------|---------|---------------------|
| Theme Park Revenue               | 2,331   | 1,876   | +24.2%              |
| Adjusted Theme Park EBITDA       | 551     | 413     | +33.3%              |
| Total Theme Park Operating Costs | 1,780   | 1,463   | +21.6%              |

Disney's growth strategy primarily relies on returns generated from mature parks and therefore requires relatively lower levels of capital investment. As shown in Table 1, Comcast's theme park segment revenue increased by 24.2% year-on-year in the first quarter of 2026, while EBITDA rose by 33.3%. Mature overseas parks continuously supported new projects through internal operating cash flow. Although Disney derives a large proportion of its revenue from theme parks, its streaming business has gradually returned to profitability, creating a more diversified monetization structure

across its global entertainment ecosystem. Therefore, compared with Disney, Universal possesses stronger and more stable financial support, providing a solid foundation for future innovation and expansion.

## 2.2. Analysis of visitor demographics of Universal Studios and Disney

One of Universal Studios' greatest strengths lies in its broad demographic coverage, which spans nearly all age groups. Young children participating in family trips can enjoy themed areas featuring characters such as Minions, the Simpsons, and Super Mario, which feature a more childlike and gentle atmosphere [1]. They can experience fun animated shows and parades, and the rides in these areas are generally gentler and safer, making them ideal for family trips [2]. Visitors aged 15 to 30 are always on a high-speed ride and enjoy the thrill, and roller coasters, drop towers, and other high-speed rides as well as movie-based rides and adventures are enjoyable for them. Older guests may choose attractions based on their favorite IPs (which means that they will enjoy movies, relaxing shows, and walks around the park) and not have to experience high-speed or scary things [3]. Universal has a clear advantage with audience diversity compared to both Disney and younger audiences. Disney is more likely to focus on fairy-tale and fantasy experiences that appeal to young children and more children than adults and for the most part has much fewer thrill rides for young adults and a very limited leisure space for older people. Universal's product portfolio spans the demographic of young children and families, thrill-seeking youth, and leisure-seeking middle-aged and older people. Disney, with its fairy-tale content for younger folks, has also expanded into youth IP like Marvel and Star Wars, but its adult entertainment is less than Universal's.

According to data provided by Queue-Times, a higher Average Crowd Level corresponds to greater visitor volume. "Entire Year" represents the annual average crowd level, while "Year-to-date" reflects the average crowd level from the beginning of the year to the current date. As illustrated in Figures 1 and 2, based on the annual average crowding levels for individual parks, Universal's cumulative visitor flow indicators in 2024 exceeded those of the comparable Disney parks during the same period. Although visitor traffic did not continue to increase unilaterally and Universal experienced a slight decline in average crowd levels in 2025, its broad demographic appeal provides more stable and sustainable demand than competitors who target narrower age groups.

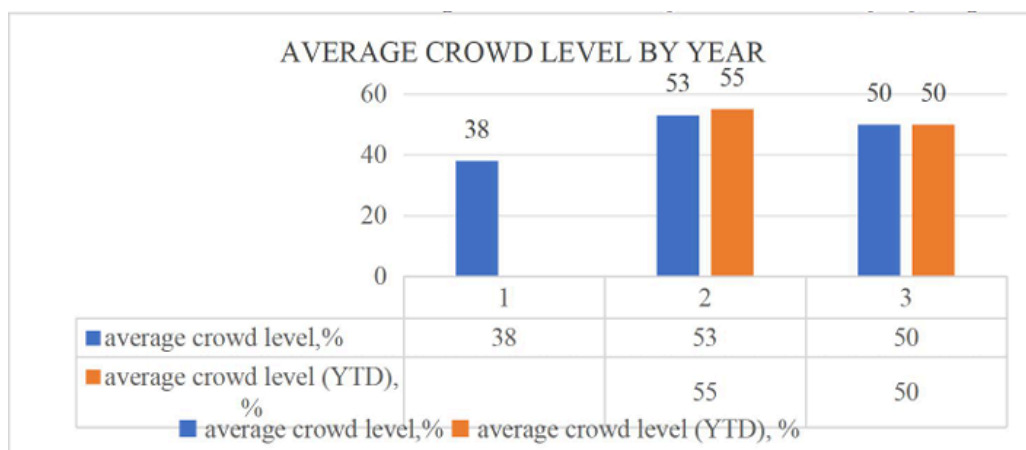


Figure 1. Universal Studios annual average crowd level

Picture credit: Original

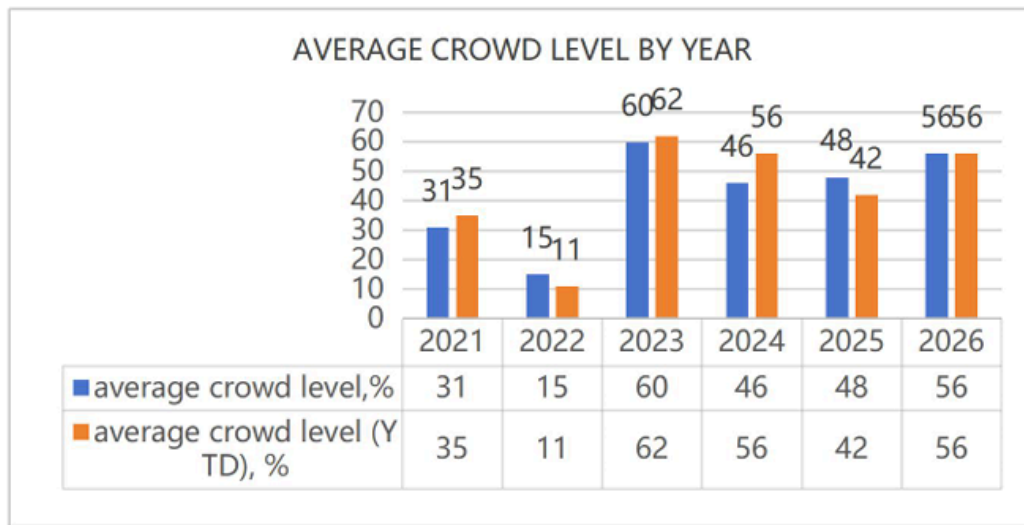


Figure 2. Disney annual average crowd level

Picture credit: Original

### 2.3. Development of artificial intelligence

Artificial intelligence technology continues to advance rapidly and has become an important driver of industrial development. Today, AI applications have permeated nearly every aspect of daily life, providing enhanced convenience and efficiency. Universal Studios has incorporated AI technologies extensively to improve theme park operations. According to publicly available industry sources, Universal has introduced AI-powered big data visitor monitoring systems that will record queue-length information in real time across attractions. Disney has also implemented similar intelligent crowd-management systems, which indicates that in future development people do not differentiate from each other. AI is also used to analyze data generated from specific events and activities. Furthermore, interactive attractions, such as Harry Potter wand interaction checkpoints, employ AI technology to provide differentiated responses based on visitor actions. AI-enabled crowd management and interactive technologies will become increasingly important auxiliary tools in theme park operations. But the core competitiveness of theme parks still depends on strong film-based IP and immersive offline experiences. Universal could introduce an AI-powered application like Google Gemini in the future to help visitors optimize their travel routes. Although existing technologies can track waiting times at attractions, visitors will still have to customize their tours. With huge numbers of guests coming to the same attraction and waiting, long lines are inevitable. AI systems can collect visitor preferences from official websites, mobile applications, or on-site intelligent robots and use them to help allocate different areas and attractions to visitors based on their preferences [4].

### 2.4. Exclusivity of intellectual property

Universal Studios possesses a wide range of exclusive IPs, including Harry Potter, Spider-Man, Transformers, the Simpsons, Minions, Jurassic World, and Super Mario. These IPs are uniquely represented within Universal parks, constituting a major source of the company's future industry leadership. From the outset, Universal's control over exclusive IP resources created a competitive advantage that rivals have found difficult to replicate [5]. Its main competitor, Disney, owns a

fundamentally different IP portfolio, primarily consisting of classic fairy-tale IPs such as Cinderella and Beauty and the Beast. By contrast, Harry Potter and Super Mario have remained long-term exclusive IP partnerships for Universal, with only limited temporary exhibition rights granted to a small number of overseas parks that are unable to develop complete themed environments [6]. Universal is one of the top-tier IPs to be exclusive and that is why Universal has this exclusivity. Universal can always develop new attractions, seasonal events, signature performances, and new experiences of the IP as they make use of Universal Studios' exclusive IP assets; they can even create virtual worlds of such IPs to create an immersive experience that the world can't get to see again and again. Universal's exclusive IPs have now become its hallmark, creating a brand identity and loyal community of consumers, a constant income stream, and innovation capacity for the future of Universal [7].

### **3. Potential challenges facing Universal and Disney in future development**

#### **3.1. Excessive reliance on artificial intelligence**

Both Universal Studios and Disney are primarily focusing on developing AI technologies to improve park efficiency and automation level. However, excessive pursuit of automation efficiency may result in substantial reductions in frontline staff and the absence of human oversight mechanisms, creating accountability gaps when algorithmic errors occur. For example, if AI produces erroneous outputs in decision-making or operations, the negative consequences may go unaddressed [8]. Overreliance on AI may weaken human accountability and encourage the transfer of responsibility to algorithms, thereby creating governance vulnerabilities. Furthermore, replacing a large number of live performances with fully digital AI-generated programs may reduce the humanistic atmosphere that distinguishes physical theme parks. A balanced integration of digital and live entertainment is therefore necessary to maintain both operational efficiency and visitor experience.

#### **3.2. Excessive dependence on IP expansion**

Both Universal and Disney possess their own exclusive IPs and continuously expand and develop these IPs to attract more visitors. However, according to Al Yaqub's "IP Value Illusion" theory, excessive investment in IPs such as Harry Potter and Nintendo may create operational risks [9]. Theme park operators may mistakenly interpret short-term profitability as evidence of long-term asset value, investing heavily in IP-themed parks. Once public interest in a particular IP declines, parks may lack alternative revenue-generating formats to offset the downturn. For film-based IP parks with relatively short life cycles, the combination of substantial fixed-asset depreciation and ongoing licensing fees may result in weak profitability despite revenue growth. As shown in Table 2, Shanghai Disney Resort requires a total investment of RMB 34 billion and incurs annual depreciation expenses of approximately RMB 1.25 billion. Revenue reached RMB 10.8 billion and RMB 13.4 billion during 2023 and 2024 respectively, with annual attendance exceeding 12 million visitors. Net profit increased to RMB 1.281 billion in 2025, demonstrating sufficient visitor demand to cover depreciation, licensing fees, and labor costs and therefore indicating stable and positive profitability. Universal Beijing, by contrast, involved a total investment of RMB 46 billion, with average annual depreciation of RMB 1.86 billion—RMB 610 million more per year than Shanghai Disney—and revenues in both 2023 and 2024 were only around RMB 7.9 billion. This demonstrates that with annual attendance of under 10 million visitors, the combined rigid cost pressure of

substantial fixed-asset depreciation and high IP licensing fees led to large net losses for two consecutive years.

Table 2. Investment and financial performance of Shanghai Disney resort and Universal Beijing resort (2023–2025)

| Park Name         | Brand     | Total Invest RMB bn | Fixed Annual Depre RMB bn | Year | Annual Revenue RMB bn | Net Profit RMB bn | Annual Visitor 10k | Main Cost Type                                    |
|-------------------|-----------|---------------------|---------------------------|------|-----------------------|-------------------|--------------------|---------------------------------------------------|
| Shanghai Disney   | Disney    | 34                  | 1.25                      | 2023 | 10.800                | 0.620             | 1200               | IP Licensing<br>Royalties+Depreciation+Labor      |
| Shanghai Disney   | Disney    | 34                  | 1.25                      | 2024 | 13.400                | 0.850             | 1470               | IP Licensing<br>Royalties+Depreciation+Labor      |
| Shanghai Disney   | Disney    | 34                  | 1.25                      | 2025 | 11.800                | 1.281             | 1310               | IP Licensing<br>Royalties+Depreciation            |
| Universal Beijing | Universal | 46                  | 1.86                      | 2023 | 7.951                 | -1.528            | 960                | High Fixed Depreciation+IP<br>Licensing Royalties |
| Universal Beijing | Universal | 46                  | 1.86                      | 2024 | 7.923                 | -1.519            | 988                | High Fixed Depreciation+IP<br>Licensing Royalties |

### 3.3. Drawbacks of resource allocation imbalances

When corporate budgets are heavily concentrated on new IP developments and AI system acquisitions, investments in supporting infrastructure, including hotels, restaurants, and frontline operational maintenance—may be reduced [10]. Excessive AI investment can also create short-term financial pressure and cost burdens. Similarly, excessive emphasis on IP expansion may divert attention from land-use planning and human-resource management. Shanghai Disney, for example, faces limitations in available land for future expansion. Continuous development of large-scale IP-themed zones could result in excessive attraction density and insufficient visitor circulation space. Furthermore, under conditions of resource concentration, investments in local cultural content, hospitality facilities, and supporting services may become inadequate. Such a lopsided investment structure could negatively affect visitor satisfaction with other aspects of the park experience [11].

## 4. Recommendations for future development strategies

### 4.1. Continuously monitor market trends and phase out obsolete IPs

Both Universal Studios and Disney should regularly conduct assessments of visitor preferences and consumer demand. By evaluating the performance of each project, operators can better understand consumer preferences, age segmentation, and spending capacity, enabling real-time and precise positioning of visitor interest and phasing out outdated, low-consumption IPs. In Universal Beijing Resort, niche film-based attractions that consistently attract limited audiences and generate losses may be renovated through scene upgrades and integration with popular IPs, or, if necessary, replacement with high-demand themed areas. Similarly, at Disney, certain older IPs with negligible visitor interest could be replaced with popular attractions that appeal to a broader age range.

## 4.2. Learn from competitors and address internal weaknesses

Disney's primary strengths include ownership of self-developed IP resources, extensive operational experience, and a long-established visitor base. Universal, meanwhile, excels in immersive cinematic experiences, thrilling attractions, and broad demographic appeal. Both companies can learn from each other's strengths while addressing their own shortcomings. For example, Disney primarily targets young children and family visitors with romance-themed experiences. By adopting some of Universal's strategies, Disney could introduce more attractions suitable for visitors of all ages to attract a wider demographic. Conversely, Universal could learn from Disney's mature annual-pass and membership-tier systems, developing a long-term fan engagement framework that increases repeat visitation [12].

## 4.3. Maintain brand competitiveness and avoid blind homogenization

Based on the findings of this study, neither company should sacrifice its unique identity in pursuit of competitive imitation. Disney's core value lies in romantic fairy-tale storytelling, whereas Universal's distinguishing characteristic is immersive Hollywood-style adventure experiences. When learning from each other's strengths, both should preserve their underlying thematic identities and shape unique brand images to create recognizable differentiation that creates sustainable competitive advantages [10]. It is appropriate to draw moderate reference from competitors' mature operating mechanisms, but each should continue leveraging its proprietary IP assets to develop distinctive experiences and build a long-term differentiated competitive strategy.

## 5. Conclusion

In this research, Shanghai Disney Resort and Universal Beijing Resort are compared from a financial perspective, visitor traffic, IP resources, and digital transformation perspective, both in terms of consumer demand and the reasons of Universal's long-term dominance in the business and digital transformation for the industry. Comcast provides a lot of financial support for Universal's growth. Universal also serves all age groups and has dedicated film-based IP resources and AI-powered visitor management systems. Universal and Disney face challenges because of their dependency on AI, investment in IP-based assets, and an imbalance in resources. To address these challenges, this study proposes three strategic recommendations: eliminating underperforming IP assets, benchmarking against competitors to address operational weaknesses, and maintaining differentiated brand positioning. Disney is stable in terms of earnings in the short term, but with limited access to tourists, land, and capital for expansion, the future growth of Disney would be limited by these factors. Universal, despite suffering from short-term losses due to high depreciation costs, is expected to generate lower depreciation and profits and therefore lower capital expenses in the future as new parks open. This study gives a theoretical and practical view on theme park investment optimization, digital technology and offline experience balance, and the long-term operation of capital-intensive cultural tourism projects.

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