MINISTRY OF SCIENCE AND HIGER EDUCATION OF RUSSIAN FEDERATION
Federal State Budgetary Educational Establishment of Higher Education
"Kuban State University"
(FSBEE HE "KubSU")

Marketing and Trading Business Department

ACCEPT TO DEFENSE

Head of Department
Candidate of Economy Sciences,
Assistant Professor
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_____2023

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Doctor of Economy Sciences,
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23.06 2023

FINAL QUALIFYING WORK
(MASTER'S THESIS)

THE IMPACT OF MODERN ECONOMIC CHANGES ON THE DEVELOPMENT STRATEGIES OF THE ENTERTAINMENT INDUSTRY

Thesis was drawn up by _____ 23.06.2023 /A.V. Shumova
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Krasnodar
2023

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Krasnodar

2023

Reference of the Referee from the Company (Organization)

The impact of modern economic changes on the development strategies of the intertainment industry by Shumova A.

The relevance of the topic of the master's thesis of Anastasia Shumova is beyond doubt for the reviewer. Firstly, it provides a comprehensive analysis of the entertainment industry in the context of modern economic changes. Through this analysis, we can identify which strategies are most effective for companies in the entertainment industry to survive and thrive in today's competitive environment. Secondly, this work provides practical suggestions for how these strategies can be implemented in order to maximize the success of entertainment companies. By doing so, we can ensure that these companies remain profitable and continue to provide valuable services to both consumers and society at large.

Structurally, the work consists of an introduction, three chapters, a conclusion, a list of used sources and literature and appendices. In the introduction, the graduate justifies the relevance of the chosen topic, formulates the research problem, defines the object, the subject, sets goals and objectives, describes the methodological basis of the work, the source base and the novelty of the research, the theoretical and practical significance of the work and deduces the main provisions submitted for defense. The main sections of the introduction do not cause complaints from the reviewer. Especially I would like to note a detailed analysis of the source base and the degree of study of the master's thesis. The reviewer also agrees with the main positions of the novelty of scientific research and the main provisions submitted for defense.

The first chapter of the master thesis focuses on the theoretical issues of entertainment industry development strategies in the context of modern economic changes. The chapter begins by defining the main terms related to the entertainment industry, followed by a discussion of the theoretic basics of regression methods. Finally, it looks at the application of econometrics to predicting the impact of economic factors on entertainment companies.

In this second chapter of the master thesis, a macroeconomic and microeconomic analysis of the entertainment industry is conducted. This includes

an overview of the current state of the industry and key trends that shape its performance. Additionally, an evaluation of individual companies' profitability and market share is provided. The chapter then delves into modern strategies employed by The Walt Disney Company (Disney+), highlighting how they have leveraged technology to create a successful streaming platform that has transformed how people access content.

The third chapter of the master thesis provides three suggestions for the solution of the problem of modern economic changes on strategies of the entertainment industry. The first suggestion is to create a methodology for entertainment company effectiveness measuring, which will allow companies to assess their performance in a more comprehensive manner. The second suggestion is to use econometric modelling of Disney main indicators in the entertainment industry, to better understand how Disney is adapting and responding to changes in the industry. Finally, the third suggestion is to use forecasting techniques to predict The Walt Disney main indicators in the entertainment industry, so that companies can prepare for potential changes and make informed decisions. These suggestions provide insight into how companies can better adapt their strategies in order to remain competitive in an ever-changing environment.

The conclusions of the author's research correspond to the goals and objectives set and do not cause doubts in the reviewer.

Summing up, the reviewer notes that the master's thesis of Anastasia Shumova has an author's character, meets all the necessary requirements, is performed at a high scientific level, and deserves an excellent rating.

Program director of the Company /_____/ I.M. Neudachnaia

« 23 » June 2023

Reference of the Scientific Leader from the Kuban State University

The impact of modern economic changes on the development strategies of the entertainment industry by Shumova A.

Anastasia Shumova's master's thesis is unquestionably pertinent to the reviewer. Through its comprehensive evaluation of the entertainment industry considering current economic shifts, this thesis identifies which tactics are most advantageous for entertainment firms to succeed in today's competitive market. Additionally, it offers concrete advice on how to apply these strategies to ensure that these businesses stay profitable and continue to offer advantageous services to both customers and society.

The structure of the work includes an introduction, three chapters, a conclusion, a list of references and appendices. The introduction outlines the relevance of the chosen topic, articulates the research question, defines the object and subject, sets goals and objectives, explains the methodology used for this work, details the source material used and highlights any new contributions to scientific research as well as its theoretical and practical significance. The reviewer found no issues with these sections of the introduction. Special attention was given to a thorough analysis of sources and how well they have been explored in this master's thesis. The reviewer was also in agreement with the new contributions to scientific research and main conclusions put forward for defense.

The initial section of the master thesis examines the theoretical aspects of entertainment industry development strategies in light of current economic shifts. It starts by defining relevant terms regarding the entertainment industry, then moves on to explore the theoretic fundamentals of regression techniques. Lastly, it analyzes how econometrics can be used to anticipate how economic conditions affect entertainment businesses.

The second chapter of the master thesis focuses on analyzing the entertainment industry from both a macroeconomic and microeconomic perspective. In terms of a macroeconomic analysis, an overview of the current state of the industry is provided, including an examination of key trends and factors that influence its performance. Additionally, the microeconomic assessment looks at how

individual companies within the industry are performing in terms of profitability and market share.

The chapter then moves onto examining modern entertainment industry strategies, using The Walt Disney Company (Disney+) as a case study. This includes looking at how Disney+ has been able to capitalize on technological advances to create a successful streaming platform that has revolutionized how people consume content.

This third chapter of the master thesis offers three ways to address the challenge of modern economic shifts on strategies of the entertainment industry. The first recommendation is to devise a system for gauging entertainment company efficiency, which would enable them to gain a more comprehensive understanding of their performance. The second suggestion is to analyze Disney's primary indicators in the entertainment sector using econometric modelling, in order to get an idea of how Disney is adapting and reacting to changes in the industry. Lastly, employing forecasting techniques to foresee The Walt Disney Company's main indicators in the entertainment sector may help companies prepare for potential changes and make wise decisions. These recommendations offer insight into how companies can adjust their strategies so as to remain competitive in an ever-evolving environment.

The author's research results match their goals and objectives, and the reviewer does not doubt them.

In simple words, the reviewer thinks that Anastasia Shumova did a great job on her master's thesis and it shows her own unique style. She followed all the necessary rules and did a very good job, so she deserves top marks.

Scientific Supervisor_____ A. S. Evtushenko
sign name

«____» June 2023

ABSTRACT

В последнее десятилетие в индустрии развлечений наблюдался стремительный рост, связанный с появлением новых форм медиа и технологий. Это оказало глубокое влияние на стратегии развития индустрии развлечений, поскольку ей пришлось адаптироваться к меняющимся экономическим условиям.

В данной работе рассматривается влияние современных экономических изменений на стратегии развития индустрии развлечений. Автор уделяет основное внимание тому, как экономические изменения повлияли на отрасль, как положительно, так и отрицательно, и как компании отреагировали на эти изменения. В исследовании также рассматривается, как эти стратегии повлияли на отрасль в целом и какие уроки можно извлечь из них. Оно основано на анализе существующей литературы, а также анализе финансовой отчетности компаний. Полученные результаты показывают, что экономические изменения оказали значительное влияние на отрасль, приведя к усилению конкуренции, появлению новых бизнес-моделей и большему вниманию к маркетингу и созданию контента. Компании отреагировали на это разработкой новых стратегий, таких как цифровая дистрибуция и услуги подписки, а также инвестированием в технологии для повышения эффективности. В заключение в документе рекомендуется провести дальнейшие исследования влияния экономических изменений на индустрию развлечений и того, как компании могут наилучшим образом адаптироваться к ним.

Автор диссертации ставит следующие задачи: рассмотрения того, как изменения в поведении потребителей, такие как возросший спрос на потоковые сервисы и мобильные игры, повлияли на стратегии развлекательных компаний. Затем анализ, как цифровизация повлияла на то, как развлекательные компании продвигают свои продукты и услуги, и как конкуренция со стороны других цифровых платформ заставила их

переосмыслить свои бизнес-модели. Наконец, рассматривает, как изменения на мировых рынках повлияли на производственные затраты и дистрибьюторские сети развлекательных компаний.

В заключение эта магистерская диссертация направлена на то, чтобы дать представление о том, как современные экономические изменения со временем сформировали стратегии развития индустрии развлечений. Подробно исследуя эти темы, автор надеется дать представление о том, как компании могут наилучшим образом реагировать на новые экономические условия и оставаться конкурентоспособными в постоянно меняющейся среде.

CONTENTS

INTRODUCTION

Entertainment is one of the most important areas of human daily life and, along with other socio-cultural services, can have a significant impact on society. The need for entertainment comes immediately after the satisfaction of primary needs. Satisfaction with their quality and availability is an indicator of the social status of the individual, and for society - an indicator of the development of the country's economy as a whole and its social sphere. Entertainment has been constantly changing during the historical process. In times of global changes in the world, such as wars, revolutions, epidemics and inquisitions, they have subsided, but still continue to exist. Some types of entertainment were periodically banned by the legislature (gambling, fights), but the passion and desire of the people remained the stronger law, and they returned to the realities of existence, where they gained unimaginable popularity. The practice of creating special conditions for organizing entertainment processes led to the emergence of a rather powerful industry, which in its modern form appeared at the end of the twentieth century. The entertainment industry acts as an independent, relatively isolated part of the economic system, attracting significant material, financial and labour resources.

The relevance of the research problem is explained by the fact that the entertainment industry is a major economic driver in many countries, and its development strategies are greatly affected by changes in the global economic landscape. As such, understanding how modern economic changes have impacted the development strategies of this industry can provide valuable insight into how it operates and what strategies might be most effective in the future. This research will also shed light on how these changes have affected other industries related to the entertainment industry, such as advertising, marketing, and technology. Additionally, it will explore how these changes have impacted consumers' preferences for certain types of entertainment and their willingness to pay for them.

Current trends show that the most profitable and sometimes only way for companies and sectors to develop is through interaction with the leisure industry. It

turns out that the leisure industry is so profitable for businesses in general that it is an advertisement for itself.

The study investigated the impact of modern economic changes on the development strategies of the entertainment industry. Specifically, the study looked at how the entertainment industry has responded to changes in technology, consumer preferences, and other economic factors that have impacted its ability to remain competitive in today's market. The research focused on how these changes have impacted the industry's focus on developing new content and marketing strategies, as well as how they have affected the production and distribution of content. Additionally, the study looked at how these changes have impacted the industry's ability to remain profitable and sustainable in an increasingly competitive market.

For quantitative research, it was taken one of the leaders in entertainment and media industry, namely The Walt Disney Company (Disney) as a representative company. Disney is therefore the object of the research.

The subject of the research study is the relationship between modern economic changes and entertainment business' development strategies.

The goal of this work is to define the strategies that the entertainment industry should pursue to remain competitive and successful in the face of current economic changes. To achieve this goal, the research will focus on analyzing the effects of modern economic changes on the entertainment industry, such as globalization, digitalization, and technological advancements. It will also explore how these changes have impacted the industry's strategy development process, as well as its ability to adapt to changing market conditions. Furthermore, it will examine how different entertainment businesses have responded to these changes and what strategies they have implemented to remain profitable and competitive. Additionally, this research will explore potential solutions that can be adopted by the entertainment industry to remain successful in a rapidly changing economic environment. Finally, it will provide recommendations on how companies within the industry can best develop their strategies to capitalize on current economic opportunities.

In order to reach the set goal, we shall reach the following objectives:

- analyze the literature on Entertainment Science;
- define its functions, concept and tasks;
- analyze the current situation on entertainment market;
- draw up methodology for the current research;
- observe and analyze the entertainment industry on a global scale;
- provide comparative analysis of show businesses;
- analyze the structure and financial parameters of The Walt Disney Company;
- analyze the scope of streaming services;
- collect the initial dataset for econometric modelling;
- conduct the econometric modelling of collected parameters;
- analyze the obtained results and create forecasting.

The methodology used in this research is mainly qualitative analysis of literature and other resources and quantitative analysis of initial data using the method of Multiple Linear Regression.

When performing the thesis, the following methods of scientific research were used: analysis, synthesis, formalization, generalization, comparative analysis, the method of econometric modeling, the method of regression analysis, as well as tools for building an application model such as the MS Excel software package and Gnu Regression, Econometrics and Time-series Library (Gretl).

The setting for this research is in the United States, as most of the participants were based in this country. It is needed because it will provide insights into how changes in economic conditions have impacted the development strategies of entertainment companies, which can be useful for business owners and decision makers in this industry. Furthermore, it will help to identify potential challenges and opportunities that these businesses may face going forward.

Literature review was based on the authentic materials, articles, and books by such researchers as Hennig-Thurau and M. B. Houston, S. Bates and A. J. Ferri, H.

Vogel, R. Tamborini, N.D. Bowman, A. Eden, M. Grizzard, A. Organ and many others. Statistical data is collected from several reports by Statista, PricewaterhouseCoopers, Trading View, Stock Analysis on-Net, Macrotrends, Gurufocus and others.

The theoretical relevance of this research is to investigate the impact of modern economic changes on the development strategies of the entertainment industry.

The practical relevance of this research is to identify and understand the challenges that the entertainment industry faces in a changing economic environment.

Finally, the research will provide recommendations for strategies that companies in the entertainment industry can use to stay ahead of the competition and remain profitable in an ever-changing market.

The work consists of introduction, three chapters, three parts in each chapter, a conclusion, a list of references, and appendix.

1 Theoretical Issues of Entertainment Industry Development Strategies in the Context of Modern Economic Changes

1.1 Main definitions of the entertainment industry

The growth of human civilization has led to the emergence of an economic mechanism, which is reflected in the alteration of socio-economic relations and the transformation of economic interactions. This mechanism is determined by a range of socio-economic interests, and it shapes the structure and features of an economic system, as well as the characteristics of its individual components (spheres, segments, sectors, industries).

The entertainment industry has emerged because of the evolution of socio-economic relations over time. With the combination of factors that have developed in recent decades, this new structural phenomenon of the economy has been established. It is characterized by its own unique features that are distinct from other stages of development. Consequently, the entertainment industry has become an important part of the global economy [59, 153].

The entertainment industry is made up of various sectors that produce and distribute content for consumers to watch or listen to. This includes the film industry, television and radio broadcasting, music recording and publishing, video game development and publishing, live performance venues such as theaters and arenas, as well as digital media platforms such as streaming services like Disney+ and Spotify [18, 511].

In author opinion, the formation of a modern (corresponding to the economy of the post-industrial type) socio-economic processes have predetermined the meaning of the activity and the current configuration of the showbiz.

First comes the emergence of new technologies and digital platforms the facilitate production, distribution and consumption of products and services;

Second, the rise of the ‘experience economy’ which emphasizes the importance of providing unique knowledge to user;

Third, the emerges of new business models like SVoD (Subscription video on demand), VOD (Video on demand), TVoD (transactional video on demand), AVoD (advertising supported video on demand) that enable access to a wide variety of entertainment content;

Forth, the way how social media platforms serves as a key channel for marketing and promotion of La La land content and products;

Fifth, the rising importance of data-driven decision-making for understanding consumer preferences and developing target market campaigns;

Sixth, The growth in consumer demand for personalized content from niche providers;

The last one, the rising competition in a global scale among providers of leisure products, which has led to increased pressure on companies to differentiate their offerings to remain competitive.

The distinctive features of the world of entertainment that are inherent in it as a special sphere of the socio-economic system [1]:

First feature is a multi-segment dynamism – the composition of entertainment business includes film, TV, sport, music, gaming etc. These segments have its own unique characteristics add trends that drive industry forward. This dynamism means that industry is constantly shape-shifting in response to new technologies and consumer preferences;

Second feature is a high level of rivalry –The entertainment world is extremely competitive. Companies in each segment must constantly innovate to keep up with the completion or risk being left behind. To survive companies have to compete with each other within segments for market share.

Third feature is a low-level specialization – Leisure industry is composed of a wide variety of activities that require a broad range of skills and knowledge. There absent any single specialization that defines the entire industry, meaning companies have to be able to adapt quickly to changes in consumer preferences or face being left behind by their rivals.

Forth feature is high rates of virtualization – virtualization has been a major trend in the entertainment industry over the past few years. This has allowed companies to reduce costs and increase efficiency by shifting operations online or into the cloud. As a result, many companies have been able to reduce their overhead costs while still providing high-quality services to customers [4].

Last one is an inability to predict demand in advance: The entertainment industry is subject to unpredictable shifts in consumer preferences which makes it difficult for companies to accurately predict future demand for their products or services. Companies must be prepared for sudden changes in demand and be able to quickly respond with new products or services if necessary.To better understand the concept of entertainment, it is necessary to examine how different researchers define and interact with it. Entertainment is a complex concept that has different meanings to various groups of people. While some may consider entertainment to encompass high art, others may not. Additionally, leisure activities like dance classes may be included in some definitions, while excluded from others. To gain an accurate understanding of the term, it is important to explore how different populations perceive and engage with it.

T. Hennig-Thurau and M. B. Houston consider entertainment as ‘any market offering whose main purpose is to offer pleasure to consumers, versus offering primarily functional utility’ [36, 549].

Bates and Ferri's article, ‘What’s Entertainment? Notes Toward a Definition’ propose a definition of entertainment: they state that entertainment ‘involves some sort of communication between an audience and a text’, defined broadly; that a ‘principal goal of entertainment is to provide pleasure’; and that entertainment cannot be defined on the basis of its content; that entertainment is not necessarily profitable to its producers, and that elite forms of high art qualify as entertainment because ‘they provide communication-pleasure to some members of the audience’ [56].

In contrast to Bates and Ferri, the economist H. Vogel takes an industry approach to his definition and suggests that ‘entertainment is that which produces a

pleasurable and satisfying experience' [54]. Vogel's definition pays less attention to the type of entertainment content or the preferences of its audience. Instead, it evaluates an entertainment organization's structure and operations to determine whether it is unique from other industries, such as a candy company.

The next cluster of academic definitions of entertainment derives from the field of psychology. This cluster focuses on the psychological aspects of entertainment, such as the enjoyment and pleasure that people experience when engaging in leisure activities. These definitions emphasize the idea that entertainment is an activity that is pleasurable and enjoyable and can be used to alleviate stress or boredom; evokes specific types of emotional response from audiences [19]; that address specific audience needs [58].

Summing up the first sub-chapter it is needed to highlight, there is a huge variety of academic definitions of entertainment because different disciplines and fields, such as sociology, psychology, media studies, and economics, have different ways of understanding the concept. Each field has its own unique approach to analyzing and understanding entertainment and its effects on people, culture, and society. Additionally, the definition of entertainment may change over time as technology advances and new forms of media become available.

1.2 Theoretic basics of regression methods

The main intention of regression analysis is straightforward: to identify the relationship between two or more phenomena (or "variables") based on how the phenomena have behaved in the past, either over time or across a number of observations (e.g., products, consumers). Essentially, the question is how changes in one variable relate to changes in the other. Of note, regression analysis assumes such effects to be causal, but it does not formally prove causalityat least not in regression's basic form.

Regression methods form the backbone of much of the analyses in research and this diploma thesis isn't exception. In general, these methods are used to

estimate associations between variables, especially when one or more of these are variables are continuous [60].

Regression is the dependence of the average value of a random variable on some other value or several values. Therefore, in a regression relationship, different random values of y can correspond to the same x value of x (as opposed to a functional relationship).

Regression analysis tasks include [38, 213]:

- establishing the form of dependency between variables;
- estimation of the regression model function (model equation);
- estimation of unknown values (prediction of values) of the dependent variable;
- determination of the type of regression equation based on available observational data (model specification);
- estimation of equation parameters based on real data (parameterization of the model);
- analysis of the quality of the equation, checking the adequacy of the equation to empirical data, improving the quality of the equation (model verification).

In regression analysis, consider the one-way dependence of the variable Y (also called a response function, a result feature, or a predicted variable) on one or more independent variables X (also called explanatory or predictive variables, or factor features).

Linear regression analysis is based on six fundamental assumptions [38, 223].

1. The dependent and independent variables show a linear relationship between the slope and the intercept.
2. The independent variable is not random.
3. The value of the residual (error) is zero.
4. The value of the residual (error) is constant across all observations.
5. The value of the residual (error) is not correlated across all observations.

6. The residual (error) values follow the normal distribution.

Simple linear regression is a model that assesses the relationship between a dependent variable and an independent variable. The simple linear model is expressed using the following equation:

$$y = a + bx + \epsilon \quad (1)$$

Where:

y – Dependent variable (DV);

x – Independent (explanatory) variable (IV);

a – Intercept;

b – Slope;

ϵ – Residual (error).

Depending on the number of factors included in the regression equation, it is customary to distinguish between simple (paired) and multiple regressions.

A simple regression is a regression between two variables y and x, i.e. a model of the form:

$$y = f(x) \quad (2)$$

Where:

y dependent variable (effective attribute);

x is an independent or explanatory variable (attribute-factor).

Pair regression – is a model where the average value of the dependent variable y is considered as a function of one independent variable (regressor) x; the equation of the pair regression model has the form

$$y = f(x) + \varepsilon \quad (3)$$

Where:

ε is random and indicates the random nature of the value y.

The value y itself is divided into two parts: one of them has the form f (x) and evaluates the explained part of y, and the second part ε determines the effect on y of other factors unaccounted for by the pair regression equation $\tilde{y} = f(x)$.

The random variable ε is also called a perturbation. It includes the influence of random errors and measurement features. Its presence in the model is generated by three sources: the specification of the model, the selective nature of the source data, and the features of measuring variables.

The greatest danger in the practical use of regression models is represented by measurement errors. if specification errors can be reduced by changing the shape of the model, and sampling errors can be reduced by increasing the sample size, measurement errors practically negate all efforts to quantify the relationship between features.

General formulation of the pairwise econometric modeling is as follows: according to available data n observations change sign of y depending on values of the factor x to choose the econometric model (2), estimate its parameters and statistically prove that the constructed function f (x) most accurately corresponds to the observational data.

First, from the entire range of factors that affect the effective feature, it is necessary to identify the most significant influencing factors. Pair regression is sufficient if there is a dominant factor that is used by the unifying variable [25, 438].

The simple regression equation characterizes the relationship between two variables, which appears as a certain pattern only on average in the whole set of observations [27, 356].

In the regression equation, the correlation relationship of features is represented as a functional relationship expressed by the corresponding mathematical function. In almost every single case, the value of y consists of two terms:

$$y_j = \hat{y}_{xj} + e_j \quad (4)$$

Where:

y_j – actual value of the effective attribute;

$\hat{y}_{xj}$ – the theoretical value of the result attribute, found based on the corresponding mathematical function y and x, that is, from the regression equation;

e_j is a random variable that characterizes the deviations of the actual value of the effective feature from the theoretical value found by the regression equation.

The random variable ε (perturbation) includes the influence of factors not taken into account in the model, random errors, and measurement features. Its presence in the model is due to three sources: the specification of the model, the selective nature of the source data, and the features of measuring variables.

The value of random errors depends on the correct model specification: they are smaller the more the theoretical values of the effective feature $\hat{y}_x$ match the actual data y.

In pair regression, the choice of the type of mathematical function

$$\hat{y}_x = f(x) \tag{5}$$

Can be made by three methods [60]: graphical, analytical (based on the theory of the relationship under study), and experimental.

When studying the relationship between two features, the graphical method for selecting the type of regression equation is quite clear. It is based on the correlation field. Main types of curves used in the quantitative assessment of the relations:

$$\hat{y}_x = a + bx \tag{6}$$

$$\hat{y}_x = a + \frac{b}{x} \tag{7}$$

$$\hat{y}_x = ax^b \tag{8}$$

$$\hat{y}_x = a + bx + cx^2 \tag{9}$$

$$\hat{y}_x = a + bx + cx^2 + dx^3 \quad (10)$$

$$\hat{y}_x = a + b^x \quad (11)$$

If there are nonlinear correlations [24] between economic phenomena, they are expressed using the corresponding nonlinear functions.

A time series data set consists of observations on a variable or several variables over time. Examples of time series data include stock prices, money supply, consumer price index, etc. In this paper, time series represent data on the annual reports and data from stock's analysis number of the Walt Disney Company by year. Because past events can influence future events and lags in behavior are prevalent in the social sciences, time is an important dimension in a time series data set. Unlike the arrangement of cross-sectional data, the chronological ordering of observations in a time series conveys potentially important information [38, 235].

A key feature of time series data that makes them more difficult to analyze than cross-sectional data is that economic observations can rarely, if ever, be assumed to be independent across time. Most economic and other time series are related, often strongly related, to their recent histories [38, 238].

A widely used measure of meaningfulness, or 'fit', of a regression analysis is the 'coefficient of determination', or R2, which ranges from 0 (when the IV explains none of the variation in the DV across all cases) to 1 (when the variation is perfectly explained and predicted values match the actual values exactly).

Heterogeneity. Another source for bias in regression is the heterogeneity that characterizes entertainment products and exists among consumers of entertainment. Keep in mind that regression parameters, by definition, are average effects (because one parameter is created from all cases in a sample), and thus their validity depends on how meaningful an overall mathematical average is for the data set in general. If you hold one foot in ice water and the other in boiling water, the average temperature of your feet might appear to be cozy, but this average in no way accurately reflects how you feel. Because of similar considerations, researchers need to be aware that findings might differ between forms of entertainment and/or between consumer

segments. Methods exist to account for heterogeneity, including latent class regressions and the estimation of regression models for subsamples [53].

Endogeneity bias is a form of bias that arises when an explanatory variable in a regression model is correlated with the error term. This correlation can lead to incorrect conclusions being drawn from the results of the model and can lead to biased estimates of the parameters. Endogeneity can be caused by omitted variables, measurement error, reverse causality, simultaneous causality, and other factors. The most common way to address endogeneity bias is through instrumental variable estimation or two-stage least squares.

Multicollinearity bias. In regressions with more than one IV ('multiple regressions'), results can also be distorted by high correlations between the IVs. Multicollinearity bias occurs when two or more variables in a regression model are highly correlated. This can cause the estimated coefficients of the variables to be inaccurate and result in biased estimates. Multicollinearity bias can lead to incorrect conclusions about the effect of each variable on the outcome, and it can also affect the precision of the estimates.

Omitted variable biases is a type of bias that occurs when a researcher fails to include an important variable in a statistical model. This can lead to incorrect conclusions about the relationships between variables and can lead to inaccurate predictions. Omitted variable bias can be caused by forgetting to include an important variable, or by not recognizing the importance of a particular variable. It can also occur when researchers are unaware of the potential effects of omitted variables on their results. Omitted variables can lead to biased estimates and incorrect inferences about the relationships between variables in the model.

The database. The phrase that 'any study is only as good as its data' is particularly true for regression analyses. Regressions always use past information, making predictions about the future based on what happened before. So always take a close look at from which part of the past researchers have derived their findings. Is their data set old or new, is it North American or German, is it comprehensive or does it systematically leave out certain products (such as low- or high-budget

products), or is it from a unique period of time (e.g., collected during a recession, or before the Internet existed)? The studies cited in this book differ quite extensively in the data they use. Often generalizations are possible and legitimate, but you should always carefully consider the foundation on which conclusions are based before relying on those findings [25, 458].

Summing up the results of the written sub-chapter, it is necessary to note the importance of regression analysis as a method of research and building a future model in the thesis. There are two types of regression: paired and multiple. In this scientific study, it is logical to perform paired regression. Each of the displayed markers will be considered in conjunction with the number of advanced financial changes on the advancement methodologies in point by point perception of the interaction. Too require be utilized time arrangement information since time is imperative for inquire about.

1.3 Application of econometrics to predicting the impact of economic factors on entertainment companies

The people who make movies, music, and other things that entertain us have had to change the way they do things to make money and be able to compete with others. This means that new plans were made to take advantage of technology, like streaming services, and the need for more things to watch. The entertainment industry and companies' profits are affected by three things: how much money the country as a whole makes (GDP), how expensive things are (inflation), and how much one country's money is worth compared to another country's (exchange rates). [48].

GDP is a way to see how a country's economy is doing. It helps us know if the government's plans are working well. A good economy can make a country strong and growing. This can make their entertainment industry better. This means that countries that make more money can spend more money on things like movies and TV shows. They might even give companies that make movies a break on taxes

or build special places for them to film. When a country makes more money, more people may want to buy things like movies or games. This means companies can earn more money and use it to make their businesses better.

Inflation can also impact the entertainment business and how it operates. When things cost more due to inflation, businesses might have trouble making money because it costs more to make their products and buy materials. This might cause less money to be put into movies, TV shows, and other fun stuff, and thus fewer people getting hired to work in those things. When the cost of things doesn't go up very much, businesses have more money to use for things like movies, music, and other fun stuff. When prices don't increase much, people can buy more fun things like tickets without spending as much money. [46].

Exchange rates can affect how the entertainment industry grows. Exchange rates show how much one currency is valued in relation to another currency. This affects how much money a company needs to make its product or service in a different country than where it is based. When a country's money is worth more than others, businesses might decide to make things there to save money. This may cause more money to be put into that country's entertainment business, and more jobs to be available for people who live there.

The entertainment industry wants to make content that people all over the world will like. To make stories that everyone can enjoy, we need to create characters and plots that are easy to understand and connect with, no matter where you live or what your background is. People really like streaming services like Netflix because they have lots of different shows and movies to choose from, and lots of people all over the world use them.

The entertainment industry is trying to make shows more engaging by creating experiences that feel real. This means using things like virtual reality, augmented reality, and other interactive technologies to grab people's attention in interesting ways. Theme parks are using technology more and more to make rides and things to do that let visitors feel like they are part of their favorite movies or TV shows. [52].

The entertainment industry is spending a lot of money on using data to promote their products to people in a way that they will like so they can sell more. Companies can gather information about how people watch TV and the types of things they like. With this information, they can make TV shows and movies that fit each person's interests and preferences.

The entertainment industry has changed a lot because of new ways of doing business. Companies are now trying to make content that works for everyone and are spending a lot of money on technology and marketing to stay successful(Tab. 1) [36, 569].

Table 1 – Indicators for entertainment industry effectiveness calculation

Indicator	Definition	Formula
Box office revenue	This is a measure of the total amount of money earned from ticket sales for films, plays, concerts, and other entertainment events	Ticket Price x Number of Tickets Sold
Audience engagement	This measures the level of engagement and interaction with the audience at an entertainment event.	(Number of Attendees / Capacity) x (Average Time Spent at Event / Total Event Duration) x 100
Critical reception	This measures how well-received an entertainment event has been by critics and reviewers in print publications or online media.	(Average Rating x Number of Reviews) + Awards + Nominations / Total Number of Ratings
Social Media Reach	This measures the number of people who have seen or interacted with content related to an entertainment event on social media platforms.	(Number of Followers + Number of Impressions) / 2
Recognition	This measures how many awards an entertainment event has received from industry organizations such as the Academy Awards or Golden Globe.	

Box office earnings are a crucial metric in the entertainment sector since they reflect the popularity of a film or television program. Engagement with the audience is crucial since it gives studios insight on the kinds of content their audiences prefer and what they should produce in the future. The scope of social media can help generate excitement for impending projects by raising awareness of them. An objective evaluation of a project's quality provided by its critical reception can affect viewers' decision to watch it or not. The prestige that comes with winning awards can increase a project's appeal to viewers. Due to the fact that they ultimately decide a project's level of success, all of these elements are crucial in the entertainment industry. [45].

By examining the relationships between changes in economic indicators like GDP, inflation, and exchange rates and changes in the strategies adopted by entertainment companies, econometrics can be used in this case to analyze the impact of contemporary economic changes on the development strategies of the entertainment industry. It is feasible to determine whether economic factors have significantly influenced the strategic decisions made by entertainment corporations by applying econometric techniques like regression analysis. This can offer insight into how to best adapt to shifting economic conditions and help to influence future strategy.

GDP, inflation and interest rates can affect the entertainment industry. Increased consumer spending on entertainment can be a result of a strong economy. The success of a film or television series can be affected by the cost of production and marketing. The film's ability to reach its target audience could be affected by higher production costs if inflation or interest rates go up. It's more difficult for filmmakers to get financing for their projects if interest rates go up. [10] And critical reception and awards recognition are also affected by macroeconomic factors such as GDP, inflation, and interest rates. A strong economy may lead to more favorable reviews from critics, while higher inflation or interest rates could make it more difficult for independent filmmakers to compete with larger studios for awards recognition.

The entertainment business is a big and important part of the economy in modern times. People want to be entertained and the success of something depends on how special it is or who made it. Its multi-segmentation and dynamism are largely due to its high level of virtualization.

At the end of the first theoretical chapter, it should be noted, entertainment is an important economic domain big enough that every reader of this paper can make a fortune in it. It is also a pioneering industry that offers numerous lessons for those who prefer to make their living in other parts of the economy. And even if this would not be enough to merit research interest, it is also an industry whose products have a deep meaning, not only as means to more important ends, but as ends themselves, both on the societal level (where entertainment helps us to understand the world) and on the individual level (where entertainment can inspire us).

2 Analysis of Entertainment Industry

2.1 Macroeconomic analysis of entertainment industry

The entertainment industry is an ever-evolving industry, which includes a wide variety of businesses and services. It encompasses the production and distribution of films, television programs, music, digital media, video games, and other forms of entertainment. The industry has seen tremendous growth over the past decade as new technologies have emerged to enable the delivery of content to consumers in more efficient ways.

The entertainment industry is driven by consumer demand for content. Consumers are increasingly looking for new and innovative forms of entertainment that can be enjoyed from any device. This has led to the emergence of streaming services such as Netflix and Hulu, which offer on-demand access to a wide variety of content. Additionally, social media platforms such as YouTube have become major players in the industry as they provide users with an easy way to share their favorite videos with friends and family [42].

The entertainment industry also relies heavily on advertising revenue to fund its operations. Companies such as Google and Disney have become major sources of revenue for the industry through their targeted advertising campaigns. Additionally, companies like Amazon have become major players in the sector by providing consumers with an easy way to purchase digital media such as movies and music online.

After falling 2.3% in 2020, total global entertainment and media (E&M) revenue rose a strong 10.4% in 2021, resuming its trend of outpacing global growth. In 2022, the US$2.5tn global industry is expected to grow 7.3%, and it should notch a 4.6% CAGR through 2026 (Fig. 1) [7].

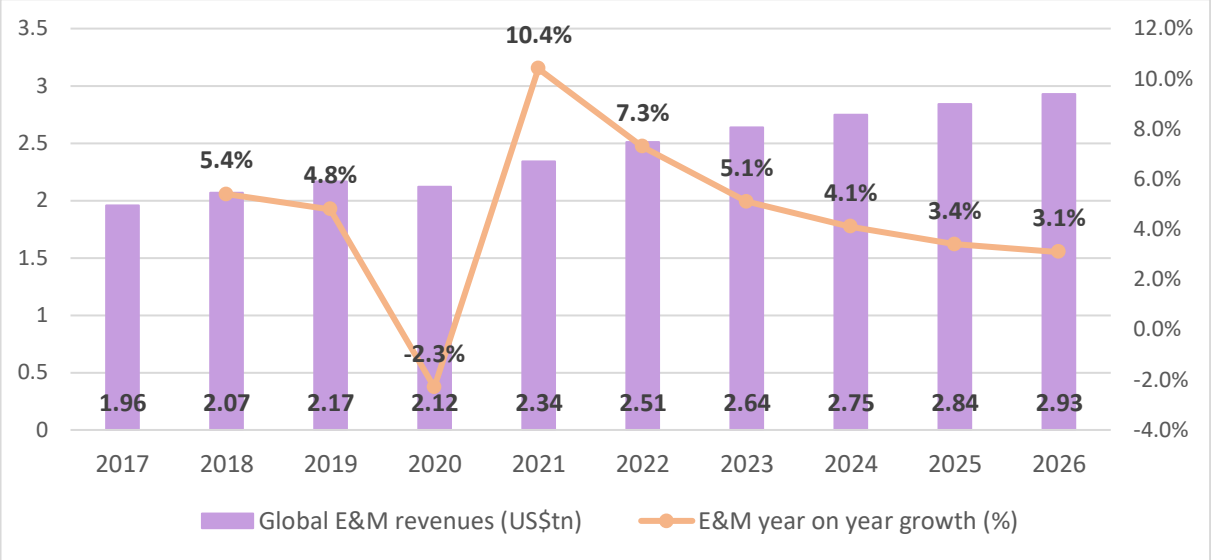

Figure 1 – Fault lines and fractures

But there is a great deal of spikiness underlying the smooth, linear revenue trend. Powerful forces are causing transformation and divergence. Like tectonic plates shifting, these forces could undermine established positions and create new rifts. But they can also forge vast new pools of revenues. As the world strives to move forward amid the continuing challenge of the COVID-19 pandemic, E&M industries are operating from new baselines. A vision of what the dynamic E&M complex will be like in 2026 is coming into focus US$2.9tn industry that is more digital, more mobile, more pitched at media that attract the young, more evenly distributed around the globe and more dependent on advertising in all its forms [7].

As business models shift to meet consumers where they spend their time (and money), several fault lines are opening. Among those we explore are the fault lines that are developing:

1. Between companies and sectors expecting a return to the pre-COVID-19 status quo and those aggressively moving into the future;

2. Among the behaviours of customers in different demographics, countries and even regions within countries;

3. Between perceived gatekeepers seeking to protect their markets and gatecrashers bent on upending the status quo;

4. Between the current wave of digitisation and the next wave of digitisation, notably the metaverse;

5. Between market-specific regulators and global tech platforms;
6. Among creators, distribution platforms and consumers.

New digitalized consumer brings some challenges and opportunities around the distribution and consumption of media and entertainment products. In order not to miss their consumer, companies continue to follow their primary objectives - the user experience and their engagement with the media industry. Companies are now investing in 1) online content and platforms that allow for more interactive user experiences, and in 2) virtual reality technology to create immersive experiences for users. By investing in these new technologies and platforms, companies can create more engaging user experiences that can help them reach their business objectives. The usage of segmentation is a common and applicable tool to know what the market share is like, to identify the target audience, to optimize campaigns and to measure the success of marketing efforts (Tab. 2).

Table 2 – The market segmentation in entertainment industry

By Type	Print Media	Newspaper Magazines Billboard Banner, Leaflets & Flyers Other Print Medias
	By Digital Media	Television Music & Radio Electronic Signage Mobile Advertising Podcasts Other Digital Media
	By Streaming Media	OTT Streaming Live Streaming

Continuation of Table 2

By Geography	North America	Canada USA
	Europe	United Kingdom Germany France Rest of Europe
	Asia-Pacific	China India Japan Rest of Asia-Pacific
	Latin America Middle East & Africa	

AI-driven technologies can be used for personalization of products and services, automated customer service, predictive analytics, and more. Companies can also use digital platforms such as social media and mobile applications to reach out to their customers and build relationships with them. Additionally, companies can use data analytics tools to gain insights into customer behaviour and preferences which can help them create better products and services that meet their needs [5, 18].

Finally, the entertainment industry is heavily reliant on intellectual property rights to protect its content from unauthorized use or duplication. Companies must ensure that they are properly protecting their content so that it can be monetized through various means such as licensing or syndication deals. Additionally, companies must be aware of copyright laws to avoid potential legal issues when distributing their content online or through other means.

2.2 The microeconomic assessment of companies in entertainment industry

In this work we chose to analyze The Walt Disney Company because it represents a vast portion of the Media and Entertainment Industry and is one of the major players on international market.

The Walt Disney Company is a leading international family entertainment along with five business sections: Studio entertainment, direct to customers, interactive media, park and resorts and, Media networks, etc.

The inner corporate structure of the Walt Disney Company is complex and highly diversified. The company is organized into four main divisions: parks, media networks, studio entertainment, and consumer products & interactive media.

The Parks division includes Disney's theme parks and resorts, cruise line, and vacation club. This division is responsible for the planning, development, and operation of Disney's theme parks and resorts around the world [44].

The Media Networks division includes Disney's television networks such as ABC, Freeform, and ESPN [2]; it also includes radio networks such as Radio Disney; and it manages the company's cable channels such as Disney Channel and Disney XD. This division is responsible for creating content for television broadcasting and streaming services [41].

The Studio Entertainment division includes Walt Disney Pictures; Pixar Animation Studios; Marvel Studios [39]; Lucasfilm Ltd.; Walt Disney Animation Studios; 20th Century Fox; Blue Sky Studios; Searchlight Pictures; Touchstone Pictures; Hollywood Records; and Walt Disney Records. This division is responsible for producing films, television shows, music recordings, live stage shows, books, magazines, video games, home entertainment products (DVDs), digital content (streaming services), etc. [3].

The Consumer Products & Interactive Media division includes the company's retail stores (Disney Store), licensing business (Disney Consumer Products), publishing business (Disney Publishing Worldwide), interactive gaming business

(Disney Interactive Media Group), digital media business (Disney Digital Network). This division is responsible for developing products based on characters from films or television shows produced by the Studio Entertainment division as well as creating new characters to be used in merchandise or video games.

The main document governing corporate governance in the Walt Disney Company is the Disney Corporate Governance Guidelines [16]. These guidelines provide the framework for how the company is managed and how decisions are made. They cover topics such as board composition, executive compensation, corporate responsibility, shareholder rights and other important aspects of corporate governance. The guidelines also set out the company's commitment to ethical business practices and its commitment to transparency.

The Walt Disney Company Board of Directors is a group of individuals who are responsible for representing the interests of shareholders and providing strategic guidance to the company's management. The board is composed of outside directors, who are not affiliated with the company, and inside directors, who are current or former executives at Disney. The board is responsible for overseeing executive management and setting corporate policy.

The Audit Committee of the Walt Disney Company is a committee of independent directors appointed by the Board of Directors to oversee the company's financial reporting process, internal control systems, and audit activities. The Audit Committee is responsible for monitoring and assessing the integrity of financial statements, evaluating the effectiveness of internal controls and audit processes, and approving or ratifying any related-party transactions. The Audit Committee also serves as a liaison between management and external auditors [6].

The Compensation Committee of the Walt Disney Company is a committee of the Board of Directors responsible for overseeing executive compensation and other matters related to employee compensation. This committee sets executive compensation policies, reviews and approves executive compensation plans, and reviews and makes recommendations to the Board on other matters related to employee compensation. The Compensation Committee is also responsible for

ensuring that the company's compensation policies are in compliance with applicable laws [15].

The Governance and Nominating Committee of the Walt Disney Company is a committee of the Board of Directors that is responsible for overseeing the corporate governance practices of the Company, including reviewing, and making recommendations to the Board with respect to corporate governance guidelines, director qualifications and independence standards, Board composition, director compensation, director nomination and election processes, and related matters [33].

The Executive Committee of the Walt Disney Company is a group of senior executives from the company's various business units who are responsible for overseeing the strategic direction of the company. The committee is composed of the Chairman and CEO, CFO, COO, President and General Counsel, Chief Human Resources Officer, Chief Strategy Officer, Chief Technology Officer, and other senior executives. The Executive Committee meets regularly to discuss key issues facing the company and to make important decisions [15].

The Walt Disney Company uses a comprehensive management system to ensure its operations are efficient, effective, and profitable. This system includes a variety of tools and processes that allow the company to effectively manage its resources and achieve its goals. These tools include budgeting, strategic planning, performance management, risk management, customer service management, project management, and employee engagement. The system also includes a variety of methods for monitoring and evaluating performance, as well as methods for identifying areas of improvement. Additionally, the company has implemented several programs designed to foster collaboration between departments and across the organization. These programs have been instrumental in helping the company remain competitive in the entertainment industry [9, 149].

To maintain a leading position in the international market it considers external factors as potential opportunities or threats that influence fiscal performance. The benefits of this external analysis depend on the effectiveness of the company’s strategies applied in its different industries, to solve challenges based on the

PESTEL/PESTLE framework [31]. This analysis can help identify potential opportunities and threats that the company may face and provide insight into how to best address these challenges. By applying strategies based on this framework, the company can benefit from increased efficiency and profitability. The results of this PESTEL/PESTLE analysis of Disney reveal many opportunities to grow the global business despite strong competition with firms like Time Warner, Viacom, Sony, Universal Studios, and Comcast (Fig. 2).

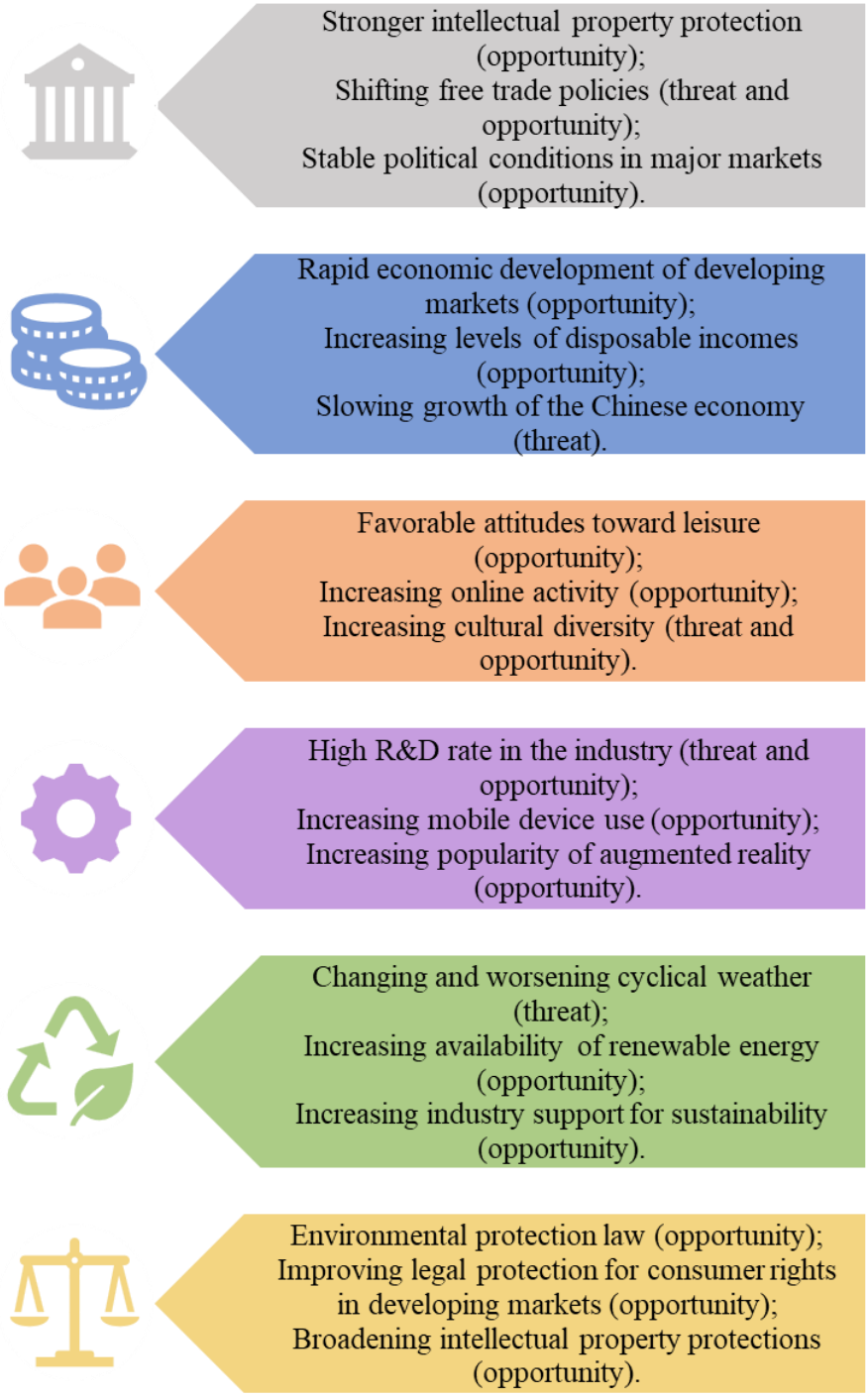

Figure 2 – PESTEL-analysis of The Walt Disney Company

Political Factors Affecting Disney's Industry Environment. Disney is subject to a wide range of political pressures due to its large size and global presence. This includes issues such as taxes, trade regulations, labor laws, and other governmental policies that could affect the company's operations. Disney must also be mindful of any potential changes in the political landscape that could affect its business [46].

Economic Factors in The Walt Disney Company's Business. Disney is exposed to economic conditions around the world. This includes currency exchange rates, inflation, and interest rates that can have an impact on the company's profitability [30]. Additionally, Disney must remain competitive in terms of the prices it charges for its products and services [32].

Social/Sociocultural Factors that Affect Disney. Disney is highly sensitive to social trends and changes in consumer preferences. This includes staying up-to-date with popular culture and entertainment trends in order to remain relevant with its target audience [34]. Disney must also be aware of any potential ethical or cultural issues that could arise from its products or services.

Technological Factors in Disney's Remote Environment. Disney has invested heavily in technology over the years to stay ahead of competitors and provide customers with more immersive experiences. This includes developing new technologies for its theme parks, creating digital content for streaming platforms, and utilizing data analytics to better understand customer behavior. Additionally, Disney must remain on top of emerging technologies that could disrupt the entertainment industry [55].

Ecological/Environmental Factors. Disney has taken steps to reduce its environmental impact by implementing green initiatives at its theme parks and resorts around the world. These include reducing energy consumption, using renewable energy sources, minimizing waste production, and supporting sustainable tourism practices. Additionally, Disney must stay abreast of any potential environmental regulations that could affect its operations.

Legal Factors in Disney's Macro-Environment. Disney is subject to a variety of legal regulations related to copyright law, intellectual property rights, labor laws,

anti-trust regulations, and more. The company must remain compliant with all applicable laws while also protecting its own interests when necessary, through legal action if necessary [11].

Based on the analysis of the company's external environment, the following recommendations can be offered:

1. Invest in new technologies to improve customer experience: Disney should invest in new technologies such as augmented reality and virtual reality to improve customer experience and increase engagement with their products.

2. Develop new strategies for digital marketing: Disney should develop new strategies for digital marketing, such as social media campaigns, influencer marketing, and targeted advertising, to reach a larger audience.

3. Expand into emerging markets: Disney should expand into emerging markets such as China and India to tap into the potential of these markets.

4. Explore new business opportunities: Disney should explore new business opportunities such as theme parks, resorts, cruise lines, and other entertainment options to diversify its revenue streams.

5. Leverage the power of data analytics: Disney should leverage the power of data analytics to better understand its customers' needs and preferences and create personalized experiences for them.

6. Invest in sustainability initiatives: Disney should invest in sustainability initiatives such as reducing its carbon footprint and developing eco-friendly products to attract a larger audience and reduce its environmental impact.

The SWOT analysis is an important tool for the Walt Disney Company to use to identify its strengths, weaknesses, opportunities, and threats [23]. By understanding these four key areas, the company can make better decisions about how to move forward and stay competitive in the marketplace. The SWOT analysis can also help the company identify areas where it can improve or capitalize on new opportunities. By being aware of both internal and external factors that could affect its performance, the Walt Disney Company can make more informed decisions that will help ensure its continued success (Fig. 3).

Strengths	Weaknesses
Strong Brand Recognition; Diversified Business Model; Financial Strength; International Presence many countries around the world; Creative Content.	High Dependence on Media Networks; Overreliance on Franchises; Increasing Competition from Streaming Services; High Cost Structure; Exposure to Currency Fluctuations.
Opportunities	**Threats**
Expansion into New Markets; Growth in Digital Platforms and Services; Mergers and Acquisitions; Big Names Are Worth It; Gear Up for Marketing.	Increased Competition; Regulatory Risks; Cybersecurity Risks; Consumer Preferences; Isolation in America.

Figure 3 – SWOT analysis of The Walt Disney Company

Disney's microeconomic performance can be analyzed in terms of its pricing strategies, product differentiation, customer loyalty and brand recognition. In terms of pricing strategies, Disney has been able to maintain relatively high prices for its products due to its strong brand recognition and customer loyalty. This allows Disney to charge more for its products than competitors in the same market. Additionally, Disney has also been able to differentiate its products from competitors by providing unique content or experiences that cannot be found elsewhere. For example, Disney owns several theme parks which offer unique experiences that are not available from competitors [27].

In terms of customer loyalty, Disney has a large base of loyal customers who have grown up with the company's products over time. This allows Disney to maintain a steady stream of revenue even when new competition enters the market.

Additionally, Disney's brand recognition is also extremely strong which helps it stand out from competitors and gives it an edge when it comes to pricing strategies.

Overall, The Walt Disney Company has been able to maintain a strong position in the entertainment industry due to its competitive pricing strategies, product differentiation, customer loyalty and brand recognition. These factors have allowed Disney to remain profitable despite competition from other players in the market [29].

Table 3 [49; 50; 51] contains the calculated indicators of company's efficiency using annual reports of The Walt Disney Company. First part of the Common-Size Financial Statement shows the Disney's performance in 2019 to 2021 has been mixed. The most positive measure is the Economic Value Added (EVA) growth rate, which has grown by 187%. This shows that Disney is creating more value for shareholders than it is costing them in investments. The Market-to-Book Ratio (MVA) growth rate is also positive at 9.58%, indicating that Disney's stock price is increasing relative to its book value.

Unfortunately, the other measures are all negative. The Return on Capital (ROC) and Return on Equity (ROE) have both declined by 83.08% and 81.91% respectively, indicating that Disney's investments are not generating as much return as they were in 2019. The Return on Assets (ROA) has also decreased by 82.80%, further confirming that Disney's investments are not as profitable as before.

So, it appears that although Disney is creating more value for shareholders, its investments are not yielding as much return as before and this could be a concern going forward.

Next part of the Table 3 shows Disney Efficiency Measures from 2019 till 2021 have seen a decrease in Asset turnover of 8.33%, an increase in Inventory turnover of 33.08%, a decrease in Days in inventory of 21.42%, an increase in Receivables turnover of 10.91%, a decrease in Average collection period of 12.34%, and a decrease in Profit margin of 81.36%. These figures suggest that Disney has been able to make their operations more efficient, resulting in improved profitability

and decreased costs. This could be due to streamlining processes, reducing overhead costs, or increasing sales and revenue.

The Common-Size Financial Statement third part shows that Disney has implemented several leverage measures to improve its financial performance from 2019 to 2021. The growth rates of the key indicators, such as long-term debt ratio, long-term debt-equity ratio, total debt ratio, times-interest-earned and cash coverage ratio have all increased significantly over the period. The long-term debt ratio is up 17.39%, the long-term debt-equity ratio is up 18.60%, the total debt ratio is down 54.54%, the times-interest-earned is down 108% and the cash coverage ratio is up 66.66%. These figures show that Disney has been successful in reducing its overall leverage and increasing its ability to pay off its debts.

The last part of the Table 3 shows that the growth rates of Disney's liquidity measures from 2019 to 2021 are impressive. The net working capital to total assets ratio has increased by 387.5%, indicating that Disney is able to generate more cash from its operations and investments. The current ratio has also increased significantly from 8.75% in 2019 to 16.66% in 2021, which shows that the company is able to pay off its short-term liabilities more easily. Similarly, the quick ratio has increased from 8.26% in 2019 to 18.26% in 2021, showing that Disney is better equipped to cover its short-term financial obligations with liquid assets. Lastly, the cash ratio has also seen a significant increase from 33.33% in 2019 to 66.66% in 2021, indicating that Disney is able to easily access cash when needed for operations or investments. These growth rates demonstrate that Disney has become more financially secure over the past few years and is well-positioned for future success.

The Common-Size Financial Statement of the Walt Disney Company is an important tool for analyzing the financial health of the company. It provides a snapshot of the company's financial position, showing how much of its total assets and liabilities are made up of various types of assets and liabilities. This allows investors to get a better understanding of where the company's money is coming from, how it is being used, and how much risk is associated with its operations.

Table 3 – Common-Size Financial Statement of the Walt Disney Company

№	Indicator	Meaning			Growth rate (+, -), %
		2019	2020	2021	
Part 1 Performance Measures					
1.1	Market Value Added, US$ billion	163.436	176.716	179.102	9.58
1.2	Market-to-book-ratio, US$ billion	2.98	3.23	3.11	4.36
1.3	EVA, US$ billion	7.212	25.155	20.712	187
1.4	Return on capital ROC, %	9.46	-1.25	1.6	-83.08
1.5	Return on equity (ROE), %	12.44	-3.43	2.25	-81.91
1.6	Return on assets (ROA), %	5.70	-1.42	0.98	-82.80
Part 2 Efficiency Measures					
2.1	Asset turnover	0.36	0.32	0.33	-8.33
2.2	Inventory turnover	25.48	27.72	33.91	33.08
2.3	Days in inventory	14	13	11	-21.42
2.4	Receivables turnover	4.49	5.15	5.04	10.91
2.5	Average collection period (days)	81	71	71	-12.34
2.6	Profit margin	15.89	-4.38	2.96	-81.36
Part 3 Leverage Measures					
3.1	Long-term debt ratio	0.19	0.26	0.23	17.39
3.2	Long-term debt-equity ratio	0.43	0.70	0.51	18.60

Continuation of Table 3

#	Indicator	Meaning			Growth rate (+, -), %
		2019	2020	2021	
3.3	Total debt ratio	0.099	0.026	0.045	-54.54
3.4	Times-interest-earned	3.25	-9.80	-6.76	-108
Part 4 Liquidity Measures					
4.1	Net-working-capital-to-total-assets	5.36	7.58	26.13	387.5
4.2	Current ratio	0.90	1.32	1.08	16.66
4.3	Quick ratio	0.85	1.26	1.04	18.26
4.4	Cash ratio	0.17	0.67	0.51	66.66

The results of this analysis demonstrate that the Walt Disney Company is in a strong financial position with ample liquidity and capital to meet its obligations. This indicates that the company has the potential to continue expanding in the future.

2.3 An analysis of modern Entertainment Industry strategies, using the Walt Disney Company (Disney+) as a case study

For decades, The Walt Disney Company has been a major innovator in the entertainment industry. From its humble beginnings as a cartoon studio to its current status as one of the world's largest media conglomerates, Disney has consistently demonstrated its ability to stay ahead of the curve. In recent years, Disney has continued to set the standard with its strategies for digital streaming and content delivery. This case study will explore how Disney has achieved success in the

entertainment industry, with a particular focus on their streaming service, Disney+. [40].

Disney+ is a subscription-based streaming service (SVoD) that offers an extensive library of movies and TV shows from across the Walt Disney Company's vast portfolio. The platform launched in November 2019 and quickly became one of the most popular streaming services on the market. In addition to providing access to a wide range of content, Disney+ also offers exclusive original programming, including series and movies from Marvel Studios, Lucasfilm, Pixar Animation Studios and National Geographic [26].

Disney+ has been successful because it offers a wide selection of top-notch content that appeals to a variety of viewers. From beloved animated films to blockbuster superhero movies, Disney+ has something for everyone and is always adding new titles [13]. The platform has also implemented strategies to keep people engaged and subscribed, such as providing free trials, bundling with other streaming services like Hulu and ESPN+, and offering discounts for annual memberships (Tab. 4) [14].

Table 4 – The main indicators of Disney+ [47], [22]

Indicator	Time								Growth rate
	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	2021 to 2020, %
Number of subscribers (billions)	26.5	33.5	60.5	73.7	94.9	103.6	116	118.1	77.56
ARPU worldwide ($, billion)	5.56	5.63	4.62	4.52	4.03	3.99	4.16	4.12	-34.95
Revenue ($ billion)	442	565	796	999	1110	1240	1440	1796	75.38

Disney+ is experiencing rapid growth in subscribers to the service, with growth of around 78% in the eight quarters from 2020 to 2021. Average revenue per user (ARPU), sometimes known as average revenue per unit, is a measure used primarily by consumer communications, digital media, and networking companies, defined as the total revenue divided by the number of subscribers.

Disney+ has also made use of strategic partnerships with other companies to expand its reach and attract new customers. For example, it recently announced an agreement with Verizon that will offer free access to Disney+ for certain customers who sign up for Verizon's 5G Home Internet service. This type of partnership allows Disney+ to tap into Verizon's existing customer base while also increasing awareness about their own service among potential new users [12].

Finally, Disney+ has leveraged data analytics to better understand user behavior and preferences. The platform collects data on user viewing habits which can then be used to tailor recommendations based on individual users' interests. This allows them to target audiences more effectively with specific content that they are likely to enjoy – resulting in higher engagement levels overall (Tab. 5).

Table 5 – Measuring the platform's level of success

Subscriber Growth	The total number of subscribers is one of the most important metrics for measuring the success of Disney+
Revenue	Revenue generated from Disney+ subscriptions and other services is another key indicator of success
Content Engagement	The amount of time viewers spend watching content on Disney+ is an important metric for gauging the success of the platform
User Retention	Retaining users over time is essential for long-term success, so tracking user retention rates can provide insight into how well Disney+ is performing

Continuation of Table

Social Media Engagement	Social media engagement can be a good indicator of how well Disney+ content is resonating with viewers, as well as how effective its marketing campaigns are

Disney+'s main competitors are Netflix, Hulu, Amazon Prime Video, HBO Max, Apple TV+, and CBS All Access. Each of these services offers different content and features that set them apart from each other [22].

Netflix is the oldest streaming service on the market and has a large library of movies and TV shows from various studios and networks. It also offers exclusive content like original series such as Stranger Things and The Crown. Netflix also has a large selection of documentaries and international films.

Hulu is a joint venture between Disney, 21st Century Fox, Comcast, Time Warner, and AT&T that focuses primarily on TV shows from various networks like ABC, NBC, Fox, FX, USA Network, SyFy Channel etc. It also offers some movies as well as original content such as The Handmaid's Tale [19].

Amazon Prime Video is an on-demand streaming service offered by Amazon that includes thousands of movies and TV shows from various studios including Paramount Pictures and Lionsgate Films as well as some exclusive content such as Transparent and The Man in the High Castle.

HBO Max is a streaming service owned by WarnerMedia that includes all HBO programming plus additional exclusive content such as Friends Reunion Special or Zack Snyder’s Justice League film.

Apple TV+ is Apple's own streaming service that features exclusive content such as The Morning Show or See. It also offers access to Apple Music for subscribers who want to listen to music while watching their favorite shows or movies.

CBS All Access is an on-demand streaming service owned by CBS Corporation that provides access to live CBS programming plus thousands of

episodes from various CBS series like NCIS or Big Brother US plus some original content such as Star Treck: Discovery or The Good Fight.

Overall Disney+ has some advantages over its competitors when it comes to offering exclusive content from its own studios including Pixar Animation Studios or Lucasfilm Ltd., but it lacks in terms of offering live programming like CBS All Access or HBO Max do which could be seen as a disadvantage compared to those services [42].

Limitations of the SVoDs:

1. Limited Content: Disney+ has a much smaller library of content than its competitors. This means that users may not be able to find all the movies and shows they want to watch.

2. Price: Disney+ is more expensive than its competitors, so it may not be worth it for some people who are looking for a cheaper streaming services.

3. No Live TV: Disney+ does not offer live TV, which means that users cannot watch their favorite shows as they air on TV.

4. Ads: Disney+ does not include any ads, which can be a downside for some people who are used to watching ads on other streaming services.

5. Compatibility Issues: Some older devices may not be compatible with Disney+, so users may have difficulty streaming content on their device of choice [37, 159].

In conclusion, The Walt Disney Company's strategies for success in the entertainment industry have been effective due largely to their focus on delivering high-quality content that appeals to a wide variety of audiences as well as their use of strategic partnerships and data analytics in order maximize user engagement and retention levels on their streaming service, Disney+ [53].

In conclusion of the second analytical chapter, it is needed to underline that the Entertainment Industry is a major contributor to the global economy, generating billions of dollars in revenue each year. It is subject to many macroeconomic factors that can affect its performance, such as consumer spending, government policy, and global economic conditions. A thorough analysis of the macroeconomic

environment of the Entertainment Industry can provide valuable insight into its current and prospects. As we look ahead to 2024 and beyond, the E&M industry will strive to maintain its balance in a landscape riven by fault lines and fractures. But the overall growth path is both clear and strong. Over time, the increasing availability of compelling E&M content, services and experiences will attract a greater share of consumers' attention.

A microeconomic assessment of companies in the Entertainment Industry involves examining their individual performance and strategies within the context of the broader market. This includes analyzing pricing strategies, marketing efforts, cost structures, and product offerings to determine how well they are positioned for success. Additionally, it is important to consider how changes in macroeconomic conditions may affect their operations.

The Walt Disney Company (Disney+) has been successful in adapting its business model to changing consumer preferences and leveraging technology to create new products and services. Its strategy has been based on creating content that appeals to a wide variety of audiences while also investing heavily in digital infrastructure and customer experience initiatives. By examining Disney+'s approach to content creation, distribution, pricing, and customer experience initiatives, other companies in the Entertainment Industry can gain insights into how they can better position themselves for success in today's competitive market.

3 Suggestions for the solution of the problem of modern economic changes on strategies of the entertainment industry

3.1 Methodology for Entertainment company effectiveness measuring

The research seeks to assess the strength of the correlation between a dependent variable and one or more independent variables. The purpose of regression analysis is to identify the influence that each independent variable has on the dependent variable, and to determine the extent to which these variables can be used to predict changes in the dependent variable. By calculating dependencies between variables using linear regression analysis, our research will provide insight into how changes in one variable will affect another. This mathematical method, known as regression analysis, focuses on modelling and analysing the relationship between a dependent variable and one or more independent variables. It incorporates many other methods to help assess the strength of this relationship and identify potential trends or patterns in the data. More specifically, regression analysis helps to understand how the typical value of the dependent variable changes when one of the independent variables is manipulated, while the other independent variables are held constant.

In our case, we worked with Time Series data, viewing the dynamics of several variables over the course of ten years. We have four exogenous (independent) variables, or X–variables and one endogenous (dependent) variable, or the Y–variable, which is the total revenue of The Walt Disney Company. In our research, we do not use any variables that are predetermined, delayed, or artificial.

Estimate the company’s total financial performance by using econometric models to analyze the financial data of the company. This includes analyzing the balance sheet, income statement, and cash flow statement of the company. This will help to measure the overall performance of the company in terms of revenue, profits, and cash flow.

The data from the reports, ratings and official income statements has been collected for the period of 10 years, from 2011 to 2020, consequently. As a foundation, we used the data provided by company's annual reports (to retrieve the data on annual revenue, which, we think, will be the best indicator for our correlation) on the following market segmentation: Latin America – x_1; Europe, Middle East and Africa – x_2; North America – x_3; Asia Pacific – x_4.

The main indicator of the topic under study, the Disney's worldwide revenue of cinema business, is the price indicator. The change in this indicator over the last 10 years will be selected as a panel data set (Tab. 6).

Table 6 – Variation for the dependent variable and regressors, in billion U.S. dollars [35]

Id	Time	x_1	x_2	x_3	x_4	y
1	2011	2,6	10,8	10,2	9	32,6
2	2012	2,8	10,7	10,8	10,4	34,7
3	2013	3	10,9	10,9	11,1	35,9
4	2014	3	10,6	10,4	12,4	36,4
5	2015	3,4	10	11,1	14,6	39,1
6	2016	2,8	9,8	11,4	15,3	39,3
7	2017	3,4	10,2	11,1	16,2	40,9
8	2018	2,7	10,1	11,9	17,1	41,8
9	2019	2,8	10,3	11,4	17,8	42,3
10	2020	0,5	3,3	2,2	6	12

Chosen variables are the regional indicators of situation in entertainment markets, such as box office revenues, ticket sales, and audience attendance. These variables provide insight into the overall health of the entertainment market in a particular region. They can indicate how popular certain films, television shows, or other forms of entertainment are in that region and can be used to measure the success of marketing campaigns. Additionally, these variables can also be used to compare the performance of different types of entertainment in different regions.

To determine which variables are suitable for further analysis and forecasting, Multiple regression was used.

P-value for all indicators is suitable, all of them are less than 0,05 which means that data are significant and can be used for further analysis (Tab. 7).

Table 7 – Variables for the construction of the Multiple Liner Regression Model [35]

y	x_1	x_2	x_3	x_4
32,6	2,6	10,8	10,2	9
34,7	2,8	10,7	10,8	10,4
35,9	3	10,9	10,9	11,1
36,4	3	10,6	10,4	12,4
39,1	3,4	10	11,1	14,6
39,3	2,8	9,8	11,4	15,3
40,9	3,4	10,2	11,1	16,2
41,8	2,7	10,1	11,9	17,1
42,3	2,8	10,3	11,4	17,8
12	0,5	3,3	2,2	6

Thus, we have 5 indicators which were selected for the analysis.

Confidence interval is 1 for all β-s.

There are 10 observations and 4 regressors (x's) and a dependent ($\hat{y}$) so we use t(n-k) = t(5).

F-test statistics is 9,36, with p-value of x_1=2,92; x_2=9,66; x_3=7,12; x_4=1,12. Since the p-value are not less than 0,05 we do not reject the null hypothesis (H0) that the regression parameters are 0 at significance level 0,05.

All parameters are jointly statistically insignificant.

The coefficient of x_1 has estimated standard error 4,33 of t-statistics 2,3 and p-value 2,92. It is therefore statistically significant at significance level a=2,92 of p-value which is more than 0,05 (Fig. 3).

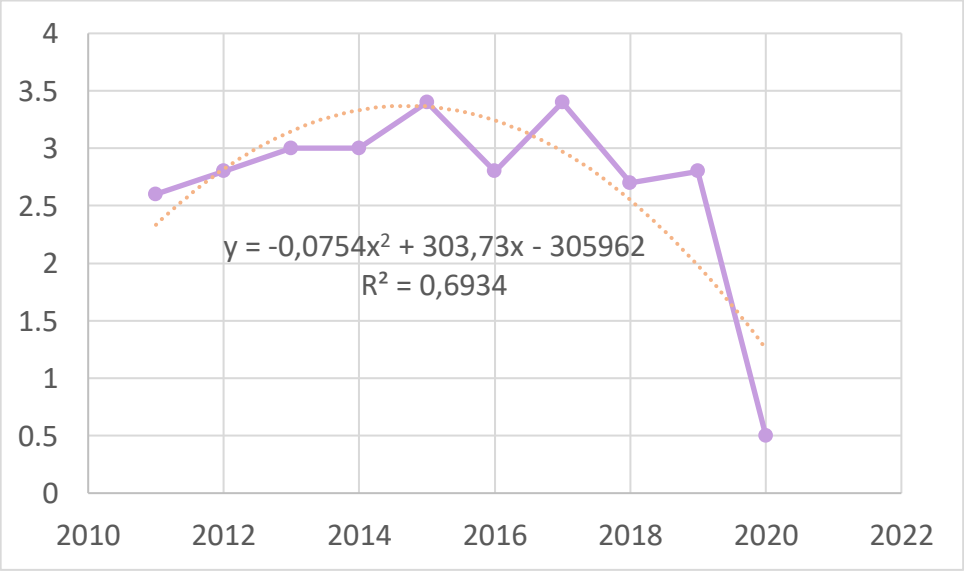

Figure 3 – Estimation of x_1

The coefficient of x_2 has estimated standard error 3,47 of t-statistics 2,87 and p-value 9,66. It is therefore statistically significant at significance level a=9,66 of p-value which is more than 0,05 (Fig. 4).

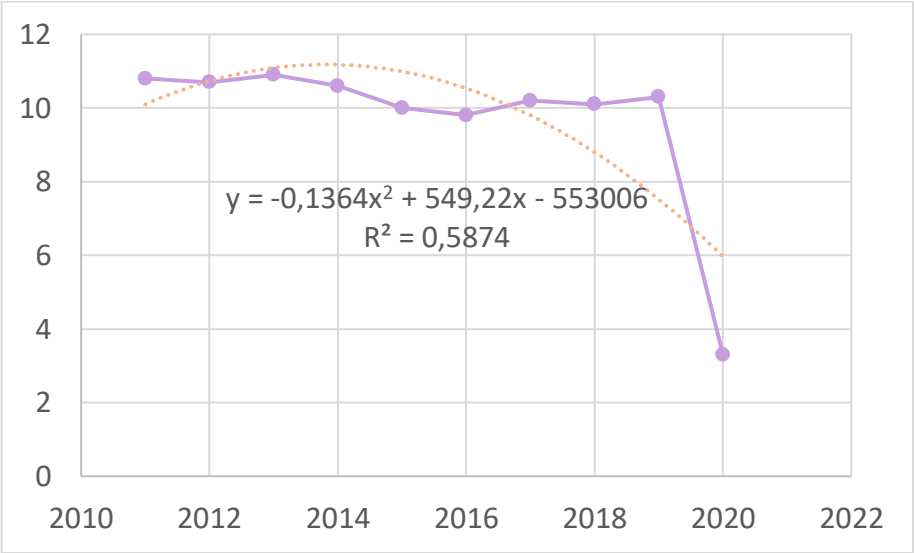

Figure 4 – Estimation of x_2

The coefficient of x_3 has estimated standard error 7,12 of t-statistics 3,05 and p-value 7,12. It is therefore statistically significant at significance level a=7,12 of p-value which is more than 0,05 (Fig. 5).

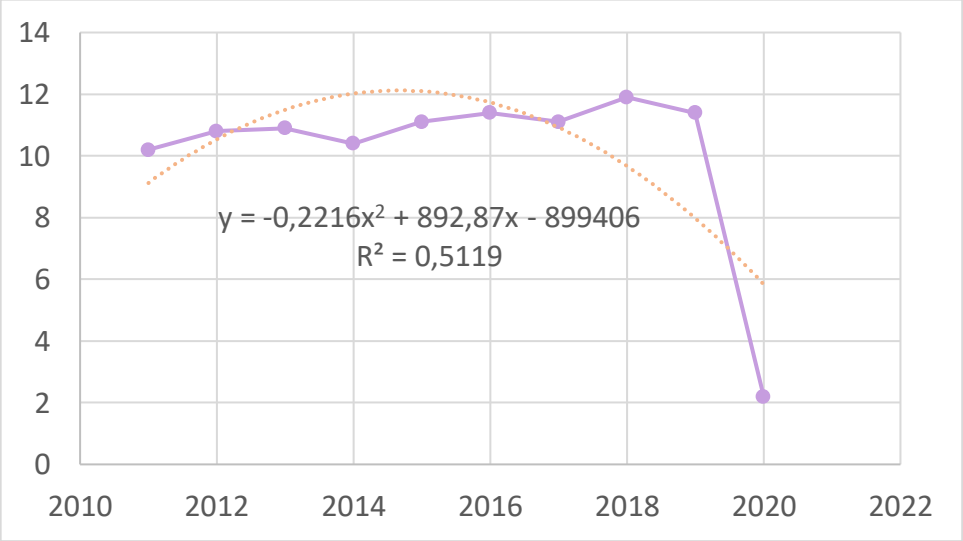

Figure 5 – Estimation of x_3

The coefficient of x_4 has estimated standard error 9 of t-statistics 1,1 and p-value 1,12. It is therefore statistically significant at significance level a=1,12 of p-value which is more than 0,05 (Fig. 6).

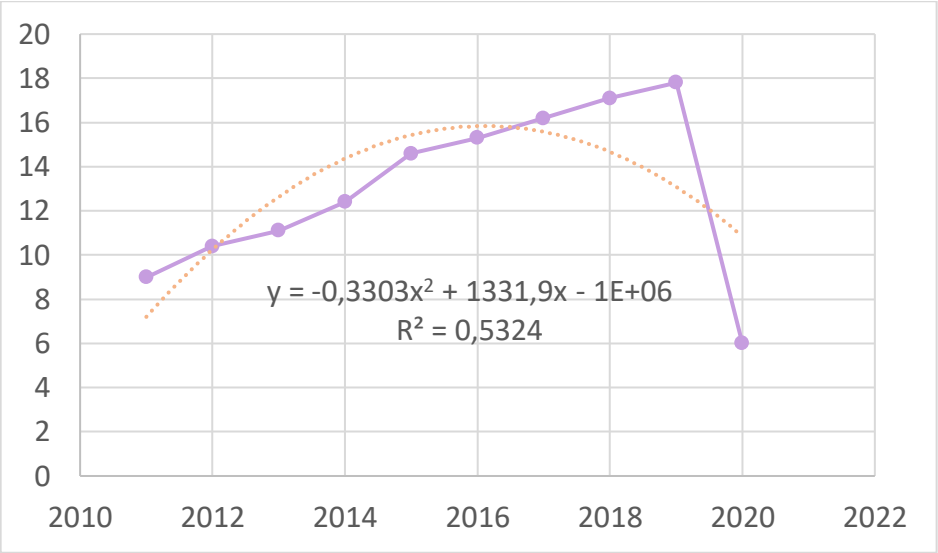

Figure 6 – Estimation of x_4

So, we can conclude that we can provide further investigation. Based on this analysis, it appears that all the variables are suitable for further analysis and forecasting. The p-values for each of the variables are greater than 0.05, indicating that they are statistically significant. Additionally, the F-test statistics is 9.36 and all the parameters have estimated standard errors that are below 10. Therefore, these variables can be used to create a regression model for further analysis and forecasting.

3.2 Econometric modelling of Disney main indicators in Entertainment Industry

A box office or ticket office, the term is frequently used, especially in the context of the film industry, as a synonym for business a particular production, such as a film or theatre show, receives.

This is followed by the next step of the survey – extracting the most significant information and results from the totality of the data obtained. The researcher summarizes the obtained data into tables, based on which such indicators as the distribution of the population, average levels and the degree of scattering are derived and calculated. Then the data obtained are processed using modern statistical techniques and decision-making models used in the marketing information analysis system [20].

To identify a number of patterns and make a forecast, multiple linear regression is most suitable.

The construction of a multiple regression analysis model makes it possible to define not only the degree of impact of each of the factors on the parameter under study, but also to model this indicator by setting the values of one or another factor [8, 357].

To build a multiple regression model, it is necessary to select the factors that most affect the effective indicator. This is achieved by determining the closeness of the relationship between the parameters.

In the case of our study, a multiple regression model is necessary to make a forecast of global film industry budget. To compile this regression model, we need to know the following coefficients: data about regional film markets such as Latin America, Europe, Middle East and Africa, USA and Canada, Asia Pacific and the end revenue.

The linear function is most suitable for this model. The equations are:

$$y = 0{,}0847x - 0{,}3052,\ R2 = 0{,}8362 \quad (7)$$

$$y = 0{,}2248x + 1{,}6881,\ R2 = 0{,}7698 \quad (8)$$

$$y = 0{,}3115x - 0{,}9171,\ R2 = 0{,}9464 \quad (9)$$

$$y = 0{,}379x - 0{,}4658,\ R2 = 0{,}7575 \quad (10)$$

Where

y – is dependent variable;

x – is independent variable;

R^2 – is a coefficient of determination.

Based on the equations provided, it appears that the linear function is most suitable for this model. The equation with the highest R2 value (0.9464) is y = 0.3115x - 0.9171, indicating that this equation best fits the data. This suggests that a linear relationship exists between the variables in this model.

In order to build a regression model, it is necessary to create a data set (Tab. 8).

Table 8 – The data set for regression analysis [35]

№	x_1	x_2	x_3	x_4	y
1	2,6	10,8	10,2	9	32,6
2	2,8	10,7	10,8	10,4	34,7
3	3	10,9	10,9	11,1	35,9
4	3	10,6	10,4	12,4	36,4
5	3,4	10	11,1	14,6	39,1
6	2,8	9,8	11,4	15,3	39,3
7	3,4	10,2	11,1	16,2	40,9
8	2,7	10,1	11,9	17,1	41,8
9	2,8	10,3	11,4	17,8	42,3
10	0,5	3,3	2,2	6	12

Since this calculation presents ten observations and the dependent variable and four regressors (ŷ and x-s) we need to use the multiple regression equation. The multiple regression formula looks the following way:

$$\hat{y} = ß_0 + ß_1 x_1 + ß_2 x_2 + e \quad (11)$$

Where

ŷ – is the dependent or predicted variable;

$ß_0$ – is the ŷ;

$ß_1$ and $ß_2$ are the regression coefficients representing the change in y relative to a one-unit change;

e – is the model's random error.

Thus, the constructed model can be as follows:

$$\hat{y} = 8{,}88 + 1*x_1 + 1*x_2 + 1*x_3 + 1*x_4 + 3{,}63 \quad (12)$$

This model suggests that the output variable (ŷ) is a linear combination of the input variables (x1, x2, x3, x4, x5 and x6). The coefficients of each input variable indicate the relative importance of each input variable in predicting the output.

In order to perform the calculation, we will compile our model in the MS Excel program (Tab. 9).

Table 9– Regression statistics analysis of the data set

#	Indicator	Volume
1	Multiple R	1,00
2	R-square	1,00
3	Adjusted R-square	1,00
4	Standard Error	3,63
5	Observations	10

The adjusted coefficient of determination R_2 indicates that 100% is formed under the influence of factors included in the model; which indicates a fairly strong linear relationship between the predictors of regional cinema markets and total revenue. R-square is value of 1 indicates that the response variable can be perfectly explained without error by the predictor variable. The multiple correlation coefficient shows that a full budget for the film business is being achieved (Tab. 10).

ANOVA (Analysis of Variance) is a statistical technique used to test the relationship between a dependent variable and one or more independent variables. It can be used to determine if there is a significant difference between the means of two or more groups. ANOVA can also be used to assess the overall fit of a multiple regression model, by comparing the variation between different groups of data points with the variation within each group. This can help to identify which independent variables are most important in predicting the dependent variable.

Table 10 – ANOVA

#	Indicator	df	SS	MS	F	Significance F
1	Regression	4	704,76	176,19	1,33	9,36
2	Residual	5	6,59	1,31		
3	Total	9	704,76	78,30		

The evaluation of the overall goodness-of-fit measures Pearson correlation coefficient as strong positive because it equals 0,82. The evaluation of the standard

error of the regression observed values fall an average of 3,63 units from the regression line. F-statistics equals 1,33 the larger the F-statistic, the greater the evidence that there is a difference between the group means, so it allows us to conclude that this statistical model is adequate; with p-value of 0,041. Since the p-value is not less than 0,05 we do not reject the null hypothesis that the regression parameters are zero at significance level 0,05. By using all analytical methods, we concluded that the case of these calculations is significance.

3.3 Forecast of The Walt Disney main indicators in Entertainment Industry

Regression analysis can be used to model the future dependence of variables. To do this, we will take 5 parameters, y (a dependent variable) is Disney Global Box Office (billions, USD), x_1 is Latin America box office revenue from 2011 to 2019 (billions, USD), x_2 is Europe, Middle East and Africa revenue from 2011 to 2019 (billions, USD), x_3 is USA and Canada revenue from 2011 to 2019 (billions, USD) and x_4 is Asia Pacific revenue from 2011 to 2019 (billions, USD) as regressors (Tab.11).

Table 11 – Data set

Year	y	x_1	x_2	x_3	x_4
2011	32,6	2,6	10,8	10,2	9
2012	34,7	2,8	10,7	10,8	10,4
2013	35,9	3	10,9	10,9	11,1
2014	36,4	3	10,6	10,4	12,4
2015	39,1	3,4	10	11,1	14,6
2016	39,3	2,8	9,8	11,4	15,3
2017	40,9	3,4	10,2	11,1	16,2
2018	41,8	2,7	10,1	11,9	17,1
2019	42,3	2,8	10,3	11,4	17,8
2020	12	0,5	3,3	2,2	6

In order to make a forecast of Disney Global Box Office (y), we need to predict each independent variable using a regression model. To do this, we create

the data set with years' column (x_i) and x_i column (y) and use the tools of the Gretl program.

Once we have the regression equation, we can use it to forecast future Disney Global Box Office numbers. We can do this by inputting future years into the xi column of our data set and using the equation to calculate the corresponding y values.

First, we need to upload the data to Gretl. To do this, we select a file of the appropriate format and upload it as a time series with the duration of observations from 2011 to 2019. Then, to get data outside the sample, we add the number of observations equal to the number of years for which we want to get a forecast (in our case, there are 10, until 2029), as well as a time trend that will help us in constructing a regression model.

After the preparatory steps, we can construct regression models and make a forecast for each the independent variable will be x_1, x_2, x_3, x_4 (Tab.12).

Table 12 – Forecast of x_1, x_2, x_3, x_4

Observations	x_1	x_2	x_3	x_4
2011	2,9	10,8	10,4	9,2
2012	2,9	10,7	10,5	10,3
2013	2,9	10,6	10,7	11,5
2014	2,9	10,5	10,9	12,6
2015	2,9	10,4	11,0	13,8
2016	3,0	10,3	11,2	14,9
2017	3,0	10,2	11,3	16,0
2018	3,0	10,1	11,5	17,2
2019	3,0	1,0	11,7	18,3
2020	3,03	9,87	11,8	19,5
2021	3,05	9,77	12,0	20,6
2022	3,07	9,67	12,1	21,7
2023	3,09	9,57	12,3	22,9
2024	3,10	9,47	12,4	24,0
2025	3,12	9,37	12,6	25,2
2026	3,14	9,27	12,8	26,3

Continuation of Table 3

Observations	x_1	x_2	x_3	x_4
2027	3,16	9,17	12,9	27,4
2028	3,18	9,07	13,1	28,6
2029	3,20	8,97	13,2	29,7

According to the calculated forecast, Latin America box office revenue (x_1) will increase and by 2029 will amount to 3,2 billion dollars, Europe, Middle East and Africa revenue (x_2) will increase 8,97 in 2029, USA and Canada revenue (x_3) will increase to 13,2 billion dollars in 2029, Asia Pacific revenue (x_4) will increase to 29,7 billion dollars in 2029.

Now we are creating a new dataset, including predicted data to construct a regression model and forecasts for y. Using the tools of the Gretl program, we analyze the resulting regression model and make a forecast of Disney Global Box Office (billions, USD) until 2029, using the data obtained as independent variables (Tab. 13).

First, we will create a new dataset using Gretl's data manipulation tools. We will include the Disney Global Box Office (billions, USD) from 2010 to 2019 as our dependent variable, and the predicted independent variables such as inflation rate, population growth rate, and gross domestic product growth rate from 2010 to 2029.

Next, we will use Gretl's regression model estimation tools to construct a regression model for the dependent variable of Disney Global Box Office (billions, USD). The independent variables that we will use are inflation rate, population growth rate and gross domestic product growth rate.

Once the regression model is constructed, we can then use Gretl's forecasting tools to forecast the Disney Global Box Office (billions, USD) until 2029. We can also use Gretl's plotting tools to visualize our results.

Finally, we can compare our forecasted results with actual data from 2010-2019 to assess the accuracy of our prediction. This will help us determine whether

our regression model was successful in predicting future Disney Global Box Office (billions, USD) values.

Table 13 – Forecast of Global Box Office

Year	y	Forecast y	St. error
2011	32,6	33,2	0,68
2012	34,7	34,5	0,65
2013	35,9	35,7	0,63
2014	36,4	36,9	0,61
2015	39,1	38,1	0,61
2016	39,3	39,3	0,61
2017	40,9	40,5	0,63
2018	41,8	41,8	0,65
2019	42,3	43,0	0,68
2020		44,2	0,71
2021		45,4	0,76
2022		46,6	0,80
2023		47,8	0,85
2024		49,1	0,91
2025		50,3	0,96
2026		51,5	1,02
2027		52,7	1,08
2028		53,9	1,14
2029		55,1	1,21

After analysis, we came to the following results: Global Box Office will be gradually increasing and in 2029 will amount 55,1 billion dollars USA, with statistical error of 1,21.

The factors that influence this result are the increasing demand for films, the growing number of cinemas, and the increasing availability of streaming services. Additionally, the emergence of new technologies such as virtual reality and augmented reality have also been instrumental in driving up global box office revenues. Furthermore, with the increasing popularity of international films, more people are going to cinemas to watch them. Finally, with more people having access

to online streaming services, they are able to watch movies from anywhere in the world.

Overall, these factors have contributed to a gradual increase in global box office revenue and will continue to do so in the future. The predicted amount of 55,1 billion dollars USA for 2029 is likely to be accurate given that these trends remain consistent.

Putting all results together, the third chapter of the master thesis has provided a detailed overview of the research methods and techniques used to conduct the study. It has explored various research methods and discussed their advantages and disadvantages in relation to the research objectives. The analysis of these methods has provided important insight into how best to approach the research topic. The entertainment industry is highly sensitive to economic changes and must be prepared to adapt its strategies accordingly. Companies in the entertainment industry must develop effective performance measurement systems to ensure they are able to respond quickly and effectively to changing economic conditions [17, 179]. Econometric modelling can be used to identify trends in the industry and predict future performance of companies in the entertainment sector. By analyzing key indicators such as revenue and profits, entertainment companies can better predict and plan for future economic changes, giving them an edge over their competitors. This chapter has illustrated how the choice of research methodologies can be a deciding factor in attaining a successful result.

CONCLUSION

The research on how recent changes in the economy affect how the entertainment industry grows has shown important information. At first, it's clear that even though the economy has helped the industry in many ways, there are still problems that need to be fixed to make sure the industry keeps doing well in the future. Also, companies need to have many ways to make themselves better so they can stay successful in a world where things are always changing. Finally, it is evident that innovation and creativity are key elements for businesses to stay ahead of their competition and remain profitable. This research has shown that modern economic changes can have both positive and negative effects on the entertainment industry, but with careful planning and consideration of potential risks, companies can successfully navigate these changes and remain competitive in a rapidly changing environment.

To conclude the following paper and the research that we conducted, it is notable to summarize some key points.

Part 1.1 consists of the main definitions used in the work that relate to the subject of the study: economic terms; the main concepts of regression analysis, the concepts of variables; was defined the concept of times series and the methods of regression analysis. Various authors were also reviewed for the concept of regression and the pros and cons of regression analysis. Having considered the main definitions, tasks used in the work, you can proceed to the consideration of methods.

Part 1.2 consider the main methods of diploma thesis - two types of regression: paired and multiple. In this scientific study, it is logical to perform multiple regression, because we have several independent variables. Plus, it is needed to use time series data because time is important to us. In 1.3 part will be considered the methodology and the main method that will be used in this work - the method of regression analysis. Also, the stages of the multiple regression model and the times series data are analysed.

Part 2.1 analyses the market segmentation; provides graphs and tables of the historical market fault lines; describes new trends in consumer behavior.

Part 2.2 analyses external and internal environment of the Walt Disney Company. In tables provides company's economic assessment.

Part 2.3 presents and analyzes the main economic indicators of Disney's streaming service as one of the biggest SVoD players.

Part 3.1 analyses panel data set on revenues. Using MS Excel and Gretl, a panel data set and its econometric modeling is built. Also an analysis of calculation of parameters of a multiple linear regression model for 5 variables (market revenues and total revenue) is provided.

In Part 3.2, the modeling process is considered by its stages. A data set for the period from 2011 to 2020 for Disney is built a regression model in Gretl. ANOVA is analysed, its results are calculated and interpreted.

Part 3.3 Forecasts key indicators like revenue and profits can be beneficial for entertainment companies, as it provides them with the insight to anticipate and plan for potential economic shifts. This enables them to stay competitive and profitable in the future.

Disney needs to think about how the economy is changing and come up with good plans for growing its business so it can keep up with other companies and make money. Changes in the economy can affect a company by making it more expensive to make things, lowering the amount of money people are willing to spend, and causing people to want different things. If Disney pays attention to how the economy is doing and changes what they do based on that, they will be successful for a long time.

Businesses can use predictions to see how much money they are making in different markets compared to their overall earnings. This helps them understand how well each market is doing and how it affects their whole company. This can help businesses find new opportunities or improve things that are not working well. This information can help make better decisions about where to allocate resources and invest money.

Proposals for the use of research results, the possibility of their implementation in practice and the expected results.

The first proposal. The research results of this study can be used to inform the development strategies of the entertainment industry. By analyzing the impact of modern economic changes on the industry, it will be possible to identify areas where improvements can be made. This could include changes to pricing models, marketing strategies, or production processes. The implementation of these strategies should result in increased profits and improved customer satisfaction.

The second proposal. The research results of this study could also be used to create new business opportunities within the entertainment industry. By understanding how economic changes have affected the industry, new products and services can be developed that capitalize on market trends. This could include launching new streaming services or creating interactive experiences for customers. Through careful implementation of these ideas, it is expected that revenue and customer engagement will both increase significantly.

The third proposal. Finally, the research results from this study can also be used to inform policy decisions within the entertainment industry. By understanding how economic changes have impacted different aspects of the industry, policymakers can create regulations that are tailored to meet specific needs and goals. These regulations could help protect consumers while also allowing businesses to remain competitive in a rapidly changing market environment. Ultimately, these policy decisions should lead to a more prosperous entertainment sector with greater consumer protection and satisfaction.

It is considered by author that the research successful and practically applicable since the new development strategies are used in entertainment business nowadays and companies need to assess their budgets to reach maximum marketing efficiency.

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APPENDIX A

Financial Sheets 2019 (Balance Sheet and Income Statement of the Walt Disney Company)

SUPPLEMENTAL CONDENSED CONSOLIDATING STATEMENT OF INCOME
For the Year Ended September 28, 2019
(in millions)

	TWDC	Legacy Disney	Non-Guarantor Subsidiaries	Reclassifications & Eliminations	Total
Revenues	$ —	$ —	$ 69,342	$ 228	$ 69,570
Costs and expenses					
Operating expenses		—	(42,018)	—	(42,018)
Selling, general, administrative and other	—	(672)	(10,869)	—	(11,541)
Depreciation and amortization	—	(1)	(4,159)	—	(4,160)
Total costs and expenses	—	(673)	(57,046)	—	(57,719)
Restructuring and impairment charges	—	—	(1,183)	—	(1,183)
Allocations to non-guarantor subsidiaries	—	652	(652)	—	—
Other income/(expense), net	(236)	94	4,727	(228)	4,357
Interest income/(expense), net	(636)	(699)	357	—	(978)
Equity in the income (loss) of investees, net	—	—	(103)	—	(103)
Income from continuing operations before income taxes	(872)	(626)	15,442	—	13,944
Income taxes from continuing operations	190	136	(3,357)	—	(3,031)
Earnings from subsidiary entities	3,026	12,802	—	(15,828)	—
Net income from continuing operations	2,344	12,312	12,085	(15,828)	10,913
Income (loss) from discontinued operations	671	291	671	(962)	671
Net Income	3,015	12,603	12,756	(16,790)	11,584
Less: Net income from continuing operations attributable to noncontrolling interests	—	—	(472)	—	(472)
Less: Net income from discontinued operations attributable to noncontrolling interests	—	—	(58)	—	(58)
Net income excluding noncontrolling interests	3,015	12,603	12,226	(16,790)	11,054
Comprehensive income excluding noncontrolling interests	$ 185	$ 9,669	$ 11,786	$ (13,400)	$ 8,240

SUPPLEMENTAL CONDENSED CONSOLIDATING STATEMENT OF INCOME
For the Year Ended September 29, 2018
(in millions)

	TWDC	Legacy Disney	Non-Guarantor Subsidiaries	Reclassifications & Eliminations	Total
Revenues	$ —	$ —	$ 59,520	$ (86)	$ 59,434
Costs and expenses					
Operating expenses	—	—	(32,726)	—	(32,726)
Selling, general, administrative and other	—	(615)	(8,245)	—	(8,860)
Depreciation and amortization	—	(1)	(3,010)	—	(3,011)
Total costs and expenses	—	(616)	(43,981)	—	(44,597)
Restructuring and impairment charges	—	—	(33)	—	(33)
Allocations to non-guarantor subsidiaries	—	576	(576)	—	—
Other income, net	—	41	474	86	601
Interest expense, net	—	(698)	124	—	(574)
Equity in the income (loss) of investees, net	—	—	(102)	—	(102)
Income before taxes	—	(697)	15,426	—	14,729
Income taxes	—	79	(1,742)	—	(1,663)
Earnings from subsidiary entities	—	13,216	—	(13,216)	—
Consolidated net Income	—	12,598	13,684	(13,216)	13,066
Less: Net income attributable to noncontrolling interests	—	—	(468)	—	(468)
Net income excluding noncontrolling interests	—	12,598	13,216	(13,216)	12,598
Comprehensive income excluding noncontrolling interests	$ —	$ 13,029	$ 13,037	$ (13,037)	$ 13,029

APPENDIX A (CONTINUED)

CONDENSED CONSOLIDATING BALANCE SHEET
As of September 28, 2019
(in millions)

	TWDC	Legacy Disney	Non-Guarantor Subsidiaries	Reclassifications & Eliminations	Total
ASSETS					
Current assets					
Cash and cash equivalents	$ 554	$ —	$ 4,864	$ —	$ 5,418
Receivables, net	499	1	14,981	—	15,481
Inventories	—	4	1,645	—	1,649
Television costs and advances	—	—	4,597	—	4,597
Other current assets	83	4	898	(6)	979
Total current assets	1,136	9	26,985	(6)	28,124
Film and television costs	—	—	22,810	—	22,810
Investments in subsidiaries	125,999	281,041	—	(407,040)	—
Other investments	—	—	3,224	—	3,224
Parks, resorts and other property, net	—	8	31,595	—	31,603
Intangible assets, net	—	—	23,215	—	23,215
Goodwill	—	—	80,293	—	80,293
Intercompany receivables	—	—	143,574	(143,574)	—
Other assets	314	1,076	4,541	(1,216)	4,715
Total assets	$ 127,449	$ 282,134	$ 336,237	$ (551,836)	$ 193,984
LIABILITIES AND EQUITY					
Current liabilities					
Accounts payable and other accrued liabilities	$ 371	$ 279	$ 17,112	$ —	$ 17,762
Current portion of borrowings	5,721	3,007	129	—	8,857
Deferred revenues and other		27	4,701	(6)	4,722
Total current liabilities	6,092	3,313	21,942	(6)	31,341
Non-current liabilities					
Borrowings	23,182	13,061	1,886	—	38,129
Deferred income taxes	—	—	9,118	(1,216)	7,902
Other long-term liabilities	859	4,626	8,275	—	13,760
Intercompany payables	8,439	135,135	—	(143,574)	—
Total non-current liabilities	32,480	152,822	19,279	(144,790)	59,791
Redeemable noncontrolling interests	—	—	8,963	—	8,963
Total Disney Shareholders' equity	88,877	125,999	281,041	(407,040)	88,877
Noncontrolling interests	—	—	5,012	—	5,012
Total equity	88,877	125,999	286,053	(407,040)	93,889
Total liabilities and equity	$ 127,449	$ 282,134	$ 336,237	$ (551,836)	$ 193,984

APPENDIX A (CONTINUED)

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
For the Year Ended September 28, 2019
(in millions)

	TWDC	Legacy Disney	Non-Guarantor Subsidiaries	Reclassifications & Eliminations	Total
OPERATING ACTIVITIES					
Cash provided by operations - continuing operations	$ 340	$ (1,800)	$ 7,764	$ (320)	$ 5,984
INVESTING ACTIVITIES					
Investments in parks, resorts and other property	—	—	(4,876)	—	(4,876)
Acquisitions	(35,702)	—	25,801	—	(9,901)
Intercompany investing activities, net	20,396	(1)	(7,507)	(12,888)	—
Other	—	—	(319)	—	(319)
Cash used in investing activities - continuing operations	(15,306)	(1)	13,099	(12,888)	(15,096)
FINANCING ACTIVITIES					
Commercial paper, net	5,328	(1,010)	—	—	4,318
Borrowings	37,999	—	241	—	38,240
Reduction of borrowings	(35,100)	(2,750)	(1,031)	—	(38,881)
Dividends	(1,585)	(1,470)	(160)	320	(2,895)
Proceeds from exercise of stock options	234	84	—	—	318
Intercompany financing, net	8,712	5,837	(27,437)	12,888	—
Contributions from / sales of noncontrolling interest holders	—	—	737	—	737
Acquisitions of noncontrolling and redeemable noncontrolling interests	—	—	(1,430)	—	(1,430)
Other	(68)	(257)	(546)	—	(871)
Cash used in financing activities - continuing operations	15,520	434	(29,626)	13,208	(464)
Discontinued operations	—	—	10,974	—	10,974
Impact of exchange rates on cash, cash equivalents and restricted cash	—	—	(98)	—	(98)
Change in cash, cash equivalents and restricted cash	554	(1,367)	2,113	—	1,300
Cash, cash equivalents and restricted cash, beginning of year	—	1,367	2,788	—	4,155
Cash, cash equivalents and restricted cash, end of year	$ 554	$ —	$ 4,901	$ —	$ 5,455

APPENDIX A (CONTINUED)

QUARTERLY FINANCIAL SUMMARY
(in millions, except per share data)

(unaudited)	Q1	Q2	Q3	Q4
2019				
Revenues	**$ 15,303**	**$ 14,922**	**$ 20,245** [8]	**$ 19,100** [8]
Income from continuing operations before income taxes	**3,431**	**7,237**	**2,018**	**1,258**
Segment operating income [9]	**3,655**	**3,816**	**3,961**	**3,436**
Net income from continuing operations	**2,786**	**5,590**	**1,623**	**914**
Net income attributable to Disney	**2,788**	**5,452**	**1,760**	**1,054**
Income from discontinued operations, net of tax	**—**	**21**	**359**	**291**
Earnings per share:				
Diluted - continuing operations	**$ 1.86**	**$ 3.53** [2]	**$ 0.79** [4]	**$ 0.43** [6]
Diluted - total	**1.86**	**3.55**	**0.97**	**0.58**
Basic - continuing operations	**1.87**	**3.55**	**0.80**	**0.44**
Basic - total	**1.87**	**3.56**	**0.98**	**0.58**
2018				
Revenues	$ 15,351	$ 14,548	$ 15,229	$ 14,306
Segment operating income [9]	3,986	4,237	4,189	3,277
Net income	4,473	3,115	3,059	2,419
Net income attributable to Disney	4,423	2,937	2,916	2,322
Earnings per share:				
Diluted	$ 2.91 [1]	$ 1.95 [3]	$ 1.95 [5]	$ 1.55 [7]
Basic	2.93	1.95	1.96	1.56

[1] Results for the first quarter of fiscal 2018 included an estimated net benefit from the Deferred Remeasurement, partially offset by the Deemed Repatriation Tax as a result of the Tax Act (Tax Act Estimate), which had a favorable impact of $1.00 on diluted earnings per share, and a gain from the sale of property rights, which had a favorable impact of $0.03 on diluted earnings per share.

[2] Results for the second quarter of fiscal 2019 included a non-cash gain in connection with the acquisition of Hulu (Hulu Gain), which had a favorable impact of $2.46 on diluted earnings per share. This favorable impact was partially offset by restructuring and impairment charges, which had an adverse impact of $0.33 on diluted earnings per share, an impairment in our investment in Vice, which had an adverse impact of $0.18 on diluted earnings per share, and amortization related to TFCF and Hulu intangible assets and fair value step-up on film and television costs, which had an adverse impact of $0.05 on diluted earnings per share.

[3] Results for the second quarter of fiscal 2018 included a net benefit from updating the Tax Act Estimate, which had a favorable impact of $0.09 on diluted earnings per share.

[4] Results for the third quarter of fiscal 2019 included amortization related to TFCF and Hulu intangible assets and fair value step-up on film and television costs, which had an adverse impact of $0.34 on diluted earnings per share, restructuring and impairment charges, which had a net adverse impact of $0.09 on diluted earnings per share, equity investment impairments, which had an adverse impact of $0.08 on diluted earnings per share, and an adjustment to the Hulu Gain, which had an adverse impact of $0.05 on diluted earnings per share.

[5] Results for the third quarter of fiscal 2018 included a net benefit from updating the Tax Act Estimate, which had a favorable impact of $0.07 on diluted earnings per share.

[6] Results for the fourth quarter of fiscal 2019 included amortization related to TFCF and Hulu intangible assets and fair value step-up on film and television costs, which had an adverse impact of $0.30 on diluted earnings per share, a charge for the settlement of a portion of the debt originally assumed in the TFCF acquisition, which had an adverse impact of $0.22 on diluted earnings per share, and restructuring and impairment charges, which had an adverse impact of $0.13 on diluted earnings per share.

[7] Results for the fourth quarter of fiscal 2018 included a gain in connection with the sale of real estate, which had a favorable impact of $0.25 on diluted earnings per share, partially offset by equity investment impairments, which had an adverse impact of $0.11 on diluted earnings per share, and the impact of updating the Tax Act Estimate, which had an adverse impact of $0.06 on diluted earnings per share.

[8] On March 20, 2019, the Company began consolidating the results of TFCF and Hulu (see Note 4 to the Consolidated Financial Statements). As a result, revenues and operating results in the third and fourth quarter of fiscal 2019 reflected the impact of this transaction.

[9] Segment operating results reflect earnings before the corporate and unallocated shared expenses, restructuring and impairment charges, other income, net, interest expense, net, income taxes and noncontrolling interests.

APPENDIX B

Financial Sheets 2020 (Balance Sheet and Income Statement of the Walt Disney Company)

CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except per share data)

	2020	2019	2018
Revenues:			
Services	$ 59,265	$ 60,579	$ 50,869
Products	6,123	9,028	8,565
Total revenues	65,388	69,607	59,434
Costs and expenses:			
Cost of services (exclusive of depreciation and amortization)	(39,406)	(36,493)	(27,528)
Cost of products (exclusive of depreciation and amortization)	(4,474)	(5,568)	(5,198)
Selling, general, administrative and other	(12,369)	(11,549)	(8,860)
Depreciation and amortization	(5,345)	(4,167)	(3,011)
Total costs and expenses	(61,594)	(57,777)	(44,597)
Restructuring and impairment charges	(5,735)	(1,183)	(33)
Other income, net	1,038	4,357	601
Interest expense, net	(1,491)	(978)	(574)
Equity in the income (loss) of investees	651	(103)	(102)
Income (loss) from continuing operations before income taxes	(1,743)	13,923	14,729
Income taxes on continuing operations	(699)	(3,026)	(1,663)
Net income (loss) from continuing operations	(2,442)	10,897	13,066
Income (loss) from discontinued operations, net of income tax benefit (expense) of $10, ($39) and $0, respectively	(32)	687	—
Net income (loss)	(2,474)	11,584	13,066
Net income from continuing operations attributable to noncontrolling and redeemable noncontrolling interests	(390)	(472)	(468)
Net income from discontinued operations attributable to noncontrolling interests	—	(58)	—
Net income (loss) attributable to The Walt Disney Company (Disney)	$ (2,864)	$ 11,054	$ 12,598
Earnings (loss) per share attributable to Disney[1]:			
Diluted			
Continuing operations	$ (1.57)	$ 6.26	$ 8.36
Discontinued operations	(0.02)	0.38	—
	$ (1.58)	$ 6.64	$ 8.36
Basic			
Continuing operations	$ (1.57)	$ 6.30	$ 8.40
Discontinued operations	(0.02)	0.38	—
	$ (1.58)	$ 6.68	$ 8.40
Weighted average number of common and common equivalent shares outstanding:			
Diluted	1,808	1,666	1,507
Basic	1,808	1,656	1,499

(1) Total may not equal the sum of the column due to rounding.

See Notes to Consolidated Financial Statements

APPENDIX B (CONTINUED)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in millions)

	2020	2019	2018
Net income (loss)	**$ (2,474)**	$ 11,584	$ 13,066
Other comprehensive income (loss), net of tax:			
Market value adjustments, primarily for hedges	**(251)**	(37)	214
Pension and postretirement medical plan adjustments	**(1,476)**	(2,446)	434
Foreign currency translation and other	**115**	(396)	(289)
Other comprehensive income (loss)	**(1,612)**	(2,879)	359
Comprehensive income (loss)	**(4,086)**	8,705	13,425
Net income from continuing operations attributable to noncontrolling interests	**(390)**	(530)	(468)
Other comprehensive income (loss) attributable to noncontrolling interests	**(93)**	65	72
Comprehensive income (loss) attributable to Disney	**$ (4,569)**	$ 8,240	$ 13,029

See Notes to Consolidated Financial Statements

APPENDIX B (CONTINUED)

CONSOLIDATED BALANCE SHEETS
(in millions, except share data)

	October 3, 2020	September 28, 2019
ASSETS		
Current assets		
Cash and cash equivalents	**$ 17,914**	$ 5,418
Receivables	**12,708**	15,481
Inventories	**1,583**	1,649
Licensed content costs and advances	**2,171**	4,597
Other current assets	**875**	979
Total current assets	**35,251**	28,124
Produced and licensed content costs	**25,022**	22,810
Investments	**3,903**	3,224
Parks, resorts and other property		
Attractions, buildings and equipment	**62,111**	58,589
Accumulated depreciation	**(35,517)**	(32,415)
	26,594	26,174
Projects in progress	**4,449**	4,264
Land	**1,035**	1,165
	32,078	31,603
Intangible assets, net	**19,173**	23,215
Goodwill	**77,689**	80,293
Other assets	**8,433**	4,715
Total assets	**$ 201,549**	$ 193,984
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and other accrued liabilities	**$ 16,801**	$ 17,762
Current portion of borrowings	**5,711**	8,857
Deferred revenue and other	**4,116**	4,722
Total current liabilities	**26,628**	31,341
Borrowings	**52,917**	38,129
Deferred income taxes	**7,288**	7,902
Other long-term liabilities	**17,204**	13,760
Commitments and contingencies (Note 15)		
Redeemable noncontrolling interests	**9,249**	8,963
Equity		
Preferred stock	**—**	—
Common stock, $.01 par value, Authorized – 4.6 billion shares, Issued – 1.8 billion shares	**54,497**	53,907
Retained earnings	**38,315**	42,494
Accumulated other comprehensive loss	**(8,322)**	(6,617)
Treasury stock, at cost, 19 million shares	**(907)**	(907)
Total Disney Shareholders' equity	**83,583**	88,877
Noncontrolling interests	**4,680**	5,012
Total equity	**88,263**	93,889
Total liabilities and equity	**$ 201,549**	$ 193,984

See Notes to Consolidated Financial Statements

APPENDIX B (CONTINUED)

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	2020	2019	2018
OPERATING ACTIVITIES			
Net income (loss) from continuing operations	**$ (2,442)**	$ 10,897	$ 13,066
Depreciation and amortization	**5,345**	4,167	3,011
Goodwill and intangible asset impairments	**4,953**	—	—
Net gain on investments, acquisitions and dispositions	**(920)**	(4,733)	(560)
Deferred income taxes	**(392)**	117	(1,573)
Equity in the (income) loss of investees	**(651)**	103	102
Cash distributions received from equity investees	**774**	754	775
Net change in produced and licensed content costs and advances	**397**	(542)	(523)
Net change in operating lease right of use assets / liabilities	**31**	—	—
Equity-based compensation	**525**	711	393
Other	**641**	154	441
Changes in operating assets and liabilities, net of business acquisitions:			
Receivables	**1,943**	55	(720)
Inventories	**14**	(223)	(17)
Other assets	**(157)**	932	(927)
Accounts payable and other liabilities	**(2,293)**	191	235
Income taxes	**(152)**	(6,599)	592
Cash provided by operations - continuing operations	**7,616**	5,984	14,295
INVESTING ACTIVITIES			
Investments in parks, resorts and other property	**(4,022)**	(4,876)	(4,465)
Acquisitions	**—**	(9,901)	(1,581)
Other	**172**	(319)	710
Cash used in investing activities - continuing operations	**(3,850)**	(15,096)	(5,336)
FINANCING ACTIVITIES			
Commercial paper borrowings (payments), net	**(3,354)**	4,318	(1,768)
Borrowings	**18,120**	38,240	1,056
Reduction of borrowings	**(3,533)**	(38,881)	(1,871)
Dividends	**(1,587)**	(2,895)	(2,515)
Repurchases of common stock	**—**	—	(3,577)
Proceeds from exercise of stock options	**305**	318	210
Contributions from / sales of noncontrolling interests	**94**	737	399
Acquisition of noncontrolling and redeemable noncontrolling interests	**—**	(1,430)	—
Other	**(1,565)**	(871)	(777)
Cash provided by (used in) financing activities - continuing operations	**8,480**	(464)	(8,843)
CASH FLOWS FROM DISCONTINUED OPERATIONS			
Cash provided by operations - discontinued operations	**2**	622	—
Cash provided by investing activities - discontinued operations	**213**	10,978	—
Cash used in financing activities - discontinued operations	**—**	(626)	—
Cash provided by discontinued operations	**215**	10,974	—
Impact of exchange rates on cash, cash equivalents and restricted cash	**38**	(98)	(25)
Change in cash, cash equivalents and restricted cash	**12,499**	1,300	91
Cash, cash equivalents and restricted cash, beginning of year	**5,455**	4,155	4,064
Cash, cash equivalents and restricted cash, end of year	**$ 17,954**	$ 5,455	$ 4,155
Supplemental disclosure of cash flow information:			
Interest paid	**$ 1,559**	$ 1,142	$ 631
Income taxes paid	**$ 738**	$ 9,259	$ 2,503

See Notes to Consolidated Financial Statements

APPENDIX B (CONTINUED)

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in millions)

	Equity Attributable to Disney							
	Shares	Common Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total Disney Equity	Non-controlling Interests[1]	Total Equity
Balance at September 30, 2017	1,517	$ 36,248	$ 72,606	$ (3,528)	$ (64,011)	$ 41,315	$ 3,689	$ 45,004
Comprehensive income	—	—	12,598	431	—	13,029	425	13,454
Equity compensation activity	6	518	—	—	—	518	—	518
Common stock repurchases	(35)	—	—	—	(3,577)	(3,577)	—	(3,577)
Dividends	—	14	(2,529)	—	—	(2,515)	—	(2,515)
Contributions	—	—	—	—	—	—	488	488
Distributions and other	—	(1)	4	—	—	3	(543)	(540)
Balance at September 29, 2018	1,488	$ 36,779	$ 82,679	$ (3,097)	$ (67,588)	$ 48,773	$ 4,059	$ 52,832
Comprehensive income	—	—	11,054	(2,814)	—	8,240	371	8,611
Equity compensation activity	7	912	—	—	—	912	—	912
Dividends	—	18	(2,913)	—	—	(2,895)	—	(2,895)
Contributions	—	—	—	—	—	—	737	737
Acquisition of TFCF	307	33,774	—	—	—	33,774	10,408	44,182
Adoption of new accounting guidance:								
Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income	—	—	691	(691)	—	—	—	—
Intra-Entity Transfers of Assets Other Than Inventory	—	—	192	—	—	192	—	192
Revenues from Contracts with Customers	—	—	(116)	—	—	(116)	—	(116)
Other	—	—	22	(15)	—	7	—	7
Retirement of treasury stock	—	(17,563)	(49,118)	—	66,681	—	—	—
Reclassification to redeemable noncontrolling interest	—	—	—	—	—	—	(7,770)	(7,770)
Redemption of noncontrolling interest	—	—	—	—	—	—	(1,430)	(1,430)
Sales of the RSNs	—	—	—	—	—	—	(744)	(744)
Distributions and other	—	(13)	3	—	—	(10)	(619)	(629)
Balance at September 28, 2019	1,802	$ 53,907	$ 42,494	$ (6,617)	$ (907)	$ 88,877	$ 5,012	$ 93,889
Comprehensive income (loss)	—	—	(2,864)	(1,705)	—	(4,569)	198	(4,371)
Equity compensation activity	8	590	—	—	—	590	—	590
Dividends	—	9	(1,596)	—	—	(1,587)	—	(1,587)
Contributions	—	—	—	—	—	—	94	94
Adoption of new lease accounting guidance	—	—	197	—	—	197	—	197
Distributions and other	—	(9)	84	—	—	75	(624)	(549)
Balance at October 3, 2020	**1,810**	**$ 54,497**	**$ 38,315**	**$ (8,322)**	**$ (907)**	**$ 83,583**	**$ 4,680**	**$ 88,263**

(1) Excludes redeemable noncontrolling interest

See Notes to Consolidated Financial Statements

APPENDIX C

Financial Sheets 2021 (Balance Sheet and Income Statement of the Walt Disney Company)

CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except per share data)

	2021	2020	2019
Revenues:			
Services	**$ 61,768**	$ 59,265	$ 60,579
Products	**5,650**	6,123	9,028
Total revenues	**67,418**	65,388	69,607
Costs and expenses:			
Cost of services (exclusive of depreciation and amortization)	**(41,129)**	(39,406)	(36,493)
Cost of products (exclusive of depreciation and amortization)	**(4,002)**	(4,474)	(5,568)
Selling, general, administrative and other	**(13,517)**	(12,369)	(11,549)
Depreciation and amortization	**(5,111)**	(5,345)	(4,167)
Total costs and expenses	**(63,759)**	(61,594)	(57,777)
Restructuring and impairment charges	**(654)**	(5,735)	(1,183)
Other income, net	**201**	1,038	4,357
Interest expense, net	**(1,406)**	(1,491)	(978)
Equity in the income (loss) of investees	**761**	651	(103)
Income (loss) from continuing operations before income taxes	**2,561**	(1,743)	13,923
Income taxes on continuing operations	**(25)**	(699)	(3,026)
Net income (loss) from continuing operations	**2,536**	(2,442)	10,897
Income (loss) from discontinued operations, net of income tax benefit (expense) of $9, $10 and ($39), respectively	**(29)**	(32)	687
Net income (loss)	**2,507**	(2,474)	11,584
Net income from continuing operations attributable to noncontrolling and redeemable noncontrolling interests	**(512)**	(390)	(472)
Net income from discontinued operations attributable to noncontrolling interests	**—**	—	(58)
Net income (loss) attributable to The Walt Disney Company (Disney)	**$ 1,995**	$ (2,864)	$ 11,054
Earnings (loss) per share attributable to Disney[1]:			
Diluted			
Continuing operations	**$ 1.11**	$ (1.57)	$ 6.26
Discontinued operations	**(0.02)**	(0.02)	0.38
	$ 1.09	$ (1.58)	$ 6.64
Basic			
Continuing operations	**$ 1.11**	$ (1.57)	$ 6.30
Discontinued operations	**(0.02)**	(0.02)	0.38
	$ 1.10	$ (1.58)	$ 6.68
Weighted average number of common and common equivalent shares outstanding:			
Diluted	**1,828**	1,808	1,666
Basic	**1,816**	1,808	1,656

[1] Total may not equal the sum of the column due to rounding.

See Notes to Consolidated Financial Statements

APPENDIX C (CONTINUED)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in millions)

	2021	2020	2019
Net income (loss)	**$ 2,507**	$ (2,474)	$ 11,584
Other comprehensive income (loss), net of tax:			
Market value adjustments, primarily for hedges	**41**	(251)	(37)
Pension and postretirement medical plan adjustments	**1,850**	(1,476)	(2,446)
Foreign currency translation and other	**77**	115	(396)
Other comprehensive income (loss)	**1,968**	(1,612)	(2,879)
Comprehensive income (loss)	**4,475**	(4,086)	8,705
Net income from continuing operations attributable to noncontrolling interests	**(512)**	(390)	(530)
Other comprehensive income (loss) attributable to noncontrolling interests	**(86)**	(93)	65
Comprehensive income (loss) attributable to Disney	**$ 3,877**	$ (4,569)	$ 8,240

See Notes to Consolidated Financial Statements

APPENDIX C (CONTINUED)

CONSOLIDATED BALANCE SHEETS
(in millions, except share data)

	October 2, 2021	October 3, 2020
ASSETS		
Current assets		
Cash and cash equivalents	$ 15,959	$ 17,914
Receivables, net	13,367	12,708
Inventories	1,331	1,583
Content advances	2,183	2,171
Other current assets	817	875
Total current assets	33,657	35,251
Produced and licensed content costs	29,549	25,022
Investments	3,935	3,903
Parks, resorts and other property		
Attractions, buildings and equipment	64,892	62,111
Accumulated depreciation	(37,920)	(35,517)
	26,972	26,594
Projects in progress	4,521	4,449
Land	1,131	1,035
	32,624	32,078
Intangible assets, net	17,115	19,173
Goodwill	78,071	77,689
Other assets	8,658	8,433
Total assets	$ 203,609	$ 201,549
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and other accrued liabilities	$ 20,894	$ 16,801
Current portion of borrowings	5,866	5,711
Deferred revenue and other	4,317	4,116
Total current liabilities	31,077	26,628
Borrowings	48,540	52,917
Deferred income taxes	7,246	7,288
Other long-term liabilities	14,522	17,204
Commitments and contingencies (Note 15)		
Redeemable noncontrolling interests	9,213	9,249
Equity		
Preferred stock	—	—
Common stock, $0.01 par value, Authorized – 4.6 billion shares, Issued – 1.8 billion shares	55,471	54,497
Retained earnings	40,429	38,315
Accumulated other comprehensive loss	(6,440)	(8,322)
Treasury stock, at cost, 19 million shares	(907)	(907)
Total Disney Shareholders' equity	88,553	83,583
Noncontrolling interests	4,458	4,680
Total equity	93,011	88,263
Total liabilities and equity	$ 203,609	$ 201,549

See Notes to Consolidated Financial Statements

APPENDIX C (CONTINUED)

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	2021	2020	2019
OPERATING ACTIVITIES			
Net income (loss) from continuing operations	**$ 2,536**	$ (2,442)	$ 10,897
Depreciation and amortization	**5,111**	5,345	4,167
Goodwill and intangible asset impairments	**—**	4,953	—
Net gain on investments, acquisitions and dispositions	**(332)**	(920)	(4,733)
Deferred income taxes	**(1,241)**	(392)	117
Equity in the (income) loss of investees	**(761)**	(651)	103
Cash distributions received from equity investees	**754**	774	754
Net change in produced and licensed content costs and advances	**(4,301)**	397	(542)
Net change in operating lease right of use assets / liabilities	**46**	31	—
Equity-based compensation	**600**	525	711
Pension and postretirement medical amortization	**816**	547	278
Other, net	**144**	94	(124)
Changes in operating assets and liabilities, net of business acquisitions:			
Receivables	**(357)**	1,943	55
Inventories	**252**	14	(223)
Other assets	**171**	(157)	932
Accounts payable and other liabilities	**2,410**	(2,293)	191
Income taxes	**(282)**	(152)	(6,599)
Cash provided by operations - continuing operations	**5,566**	7,616	5,984
INVESTING ACTIVITIES			
Investments in parks, resorts and other property	**(3,578)**	(4,022)	(4,876)
Acquisitions	**—**	—	(9,901)
Other	**407**	172	(319)
Cash used in investing activities - continuing operations	**(3,171)**	(3,850)	(15,096)
FINANCING ACTIVITIES			
Commercial paper borrowings (payments), net	**(26)**	(3,354)	4,318
Borrowings	**64**	18,120	38,240
Reduction of borrowings	**(3,737)**	(3,533)	(38,881)
Dividends	**—**	(1,587)	(2,895)
Proceeds from exercise of stock options	**435**	305	318
Contributions from / sales of noncontrolling interests	**91**	94	737
Acquisition of noncontrolling and redeemable noncontrolling interests	**(350)**	—	(1,430)
Other	**(862)**	(1,565)	(871)
Cash provided by (used in) financing activities - continuing operations	**(4,385)**	8,480	(464)
CASH FLOWS FROM DISCONTINUED OPERATIONS			
Cash provided by operations - discontinued operations	**1**	2	622
Cash provided by investing activities - discontinued operations	**8**	213	10,978
Cash used in financing activities - discontinued operations	**—**	—	(626)
Cash provided by discontinued operations	**9**	215	10,974
Impact of exchange rates on cash, cash equivalents and restricted cash	**30**	38	(98)
Change in cash, cash equivalents and restricted cash	**(1,951)**	12,499	1,300
Cash, cash equivalents and restricted cash, beginning of year	**17,954**	5,455	4,155
Cash, cash equivalents and restricted cash, end of year	**$ 16,003**	$ 17,954	$ 5,455
Supplemental disclosure of cash flow information:			
Interest paid	**$ 1,892**	$ 1,559	$ 1,142
Income taxes paid	**$ 1,638**	$ 738	$ 9,259

See Notes to Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in millions)

	Equity Attributable to Disney							
	Shares	Common Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total Disney Equity	Non-controlling Interests[1]	Total Equity
Balance at September 29, 2018	1,488	$ 36,779	$ 82,679	$ (3,097)	$ (67,588)	$ 48,773	$ 4,059	$ 52,832
Comprehensive income	—	—	11,054	(2,814)	—	8,240	371	8,611
Equity compensation activity	7	912	—	—	—	912	—	912
Dividends	—	18	(2,913)	—	—	(2,895)	—	(2,895)
Contributions	—	—	—	—	—	—	737	737
Acquisition of TFCF	307	33,774	—	—	—	33,774	10,408	44,182
Adoption of new accounting guidance:								
Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income	—	—	691	(691)	—	—	—	—
Intra-Entity Transfers of Assets Other Than Inventory	—	—	192	—	—	192	—	192
Revenues from Contracts with Customers	—	—	(116)	—	—	(116)	—	(116)
Other	—	—	22	(15)	—	7	—	7
Retirement of treasury stock	—	(17,563)	(49,118)	—	66,681	—	—	—
Reclassification to redeemable noncontrolling interest	—	—	—	—	—	—	(7,770)	(7,770)
Redemption of noncontrolling interest	—	—	—	—	—	—	(1,430)	(1,430)
Sales of the RSNs	—	—	—	—	—	—	(744)	(744)
Distributions and other	—	(13)	3	—	—	(10)	(619)	(629)
Balance at September 28, 2019	1,802	$ 53,907	$ 42,494	$ (6,617)	$ (907)	$ 88,877	$ 5,012	$ 93,889
Comprehensive income	—	—	(2,864)	(1,705)	—	(4,569)	198	(4,371)
Equity compensation activity	8	590	—	—	—	590	—	590
Dividends	—	9	(1,596)	—	—	(1,587)	—	(1,587)
Contributions	—	—	—	—	—	—	94	94
Adoption of new lease accounting guidance	—	—	197	—	—	197	—	197
Distributions and other	—	(9)	84	—	—	75	(624)	(549)
Balance at October 3, 2020	1,810	$ 54,497	$ 38,315	$ (8,322)	$ (907)	$ 83,583	$ 4,680	$ 88,263
Comprehensive income (loss)	—	—	1,995	1,882	—	3,877	284	4,161
Equity compensation activity	8	904	—	—	—	904	—	904
Contributions	—	—	—	—	—	—	89	89
Cumulative effect of accounting change	—	—	109	—	—	109	—	109
Distributions and other	—	70	10	—	—	80	(595)	(515)
Balance at October 2, 2021	**1,818**	**$ 55,471**	**$ 40,429**	**$ (6,440)**	**$ (907)**	**$ 88,553**	**$ 4,458**	**$ 93,011**

(1) Excludes redeemable noncontrolling interest.

See Notes to Consolidated Financial Statements

АНТИПЛАГИАТ
ОБНАРУЖЕНИЕ ЗАИМСТВОВАНИЙ

СПРАВКА

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о результатах проверки текстового документа
на наличие заимствований

ПРОВЕРКА ВЫПОЛНЕНА В СИСТЕМЕ АНТИПЛАГИАТ.ВУЗ

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РЕЗУЛЬТАТЫ

■ ОТЧЕТ О ПРОВЕРКЕ КОРРЕКТИРОВАЛСЯ: НИЖЕ ПРЕДСТАВЛЕНЫ РЕЗУЛЬТАТЫ ПРОВЕРКИ ДО КОРРЕКТИРОВКИ

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