# When Magic Ages: The Disney Dilemma

## TEACHING NOTES

# Teaching Plan

The following document will provide additional theoretical background information, frameworks, and suggestions for teachers and case presenters to guide the discussion of the Disney case. The material will support the presenter in preparation and ensure an effective and engaging discussion. First, the document will give a short overview, introducing the case to the audience. The further sections will include learning objectives, with relevant frameworks for understanding the case, proposed discussion questions, as well as a suggestion of the teaching structure.

# Case Synopsis

The Walt Disney Company, founded in 1923, evolved from a small animation studio to a global family entertainment corporation. Its mission, "…to entertain, inform, and inspire people around the world through the power of unparalleled storytelling…," has guided Disney's brand identity and values. For generations, Disney has been a moral compass to children and has provided nostalgia for adults through their movies. Nevertheless, with the launch of Disney+ in 2019 and several societal influences, Disney's films were put into a new spotlight, leading to criticism about their legacy content.

As viewers are revising the old classic movies, discussions arise about various movies that are depicted as containing harmful stereotypes and outdated portrayals. The film *Dumbo* includes a character named 'Jim Crow', pointing to segregationist laws, *Peter Pan* is criticized for the 'redskin' slur, and *The Aristocats* movie highlights stereotypical Asian behavior. These accusations clearly clash with Disney's modern brand identity and values of inclusivity and diversity, creating a dilemma for the company: while being a relevant commercial asset and nostalgic component, it also introduces reputational liabilities.

The following question is to be answered in the case discussion:

**As a member of Disney's top management team, you need to find a solution to this dilemma in a meeting:**

***How should Disney handle the legacy content, and what alternative solutions are there?***

# Learning Objectives

The Disney case addresses several topics in relation to corporate brand management and reputation. The following chapter will provide the theoretical background and frameworks essential to developing a deep understanding of the Disney case. The presenter and the audience have to be able to connect these learning objectives to the case components to ensure a comprehensive development of the discussion. Learning objectives include the *corporate brand identity, corporate reputation, corporate social responsibility, corporate heritage and nostalgia, and the VCI alignment model.*

## Corporate Brand Identity and Reputation

Disney is a global company known for its family entertainment, strong heritage, and storytelling. However, its legacy movies, containing racial stereotypes and outdated depictions, create a discrepancy between its historical content and modern commitment to diversity and inclusion.

The Corporate Brand Identity Matrix by Urde (2024, p. 42) provides relevant insights into how Disney's corporate identity is defined and constructed. It consists of nine elements that form the base of a company's corporate identity. Additionally, the Corporate Brand Identity and Reputation Matrix expands this key framework by including external perceptions of the brand that define its reputation. These models help to identify misalignments between a company's intended brand identity and stakeholder perceptions, particularly relevant in the Disney case.

### *Corporate Brand Identity Matrix (CBIM)*

Applying the CBIM reveals tensions between Disney's brand heritage and its modern corporate identity. The company promotes diversity and inclusivity, but older productions that contain outdated depictions and stereotypes challenge the alignment of these identity elements. This creates discrepancies between Disney's core values and brand expression, as legacy movies remain a visible representation of the corporate brand.

Disney aims to position itself as a progressive company through its mission, culture, and newer productions that support its aspired market position. However, stereotypes in legacy content oppose Disney's market position, leading to an identity gap between Disney's intended corporate identity and its perceived identity, and therefore challenging the authenticity and credibility of the corporate brand.

Another point to consider is that Disney is mostly valued for its strong brand heritage and nostalgia, which are an essential part of its identity core and brand expression, leading to emotional attachment by many consumers, fostering brand loyalty. These emotional connections strengthen Disney's relationships with its stakeholders but also challenge managerial decisions in handling those legacy movies. Removing the movies could damage Disney's integrity, threatening established consumer relationships.

Furthermore, using the matrix helps to discover tensions arising in relationships and the value proposition between Disney and its stakeholders. While some consumers demand stronger regulations and criticize movies containing stereotypes, some argue that the movies provide nostalgic value and should be preserved as historical artifacts. This showcases the challenge of balancing opposing stakeholder expectations with ensuring a consistent brand identity.

Using the Corporate Brand Identity Matrix for analyzing the Disney case reveals misalignments, particularly in Disney's identity core, aspired position, and stakeholder relationships. Disney's legacy content creates tensions with its progressive values, requiring strategic management to ensure alignment between its identity elements and maintain corporate brand credibility. **Figure 1** illustrates the application of the CBIM to Disney.

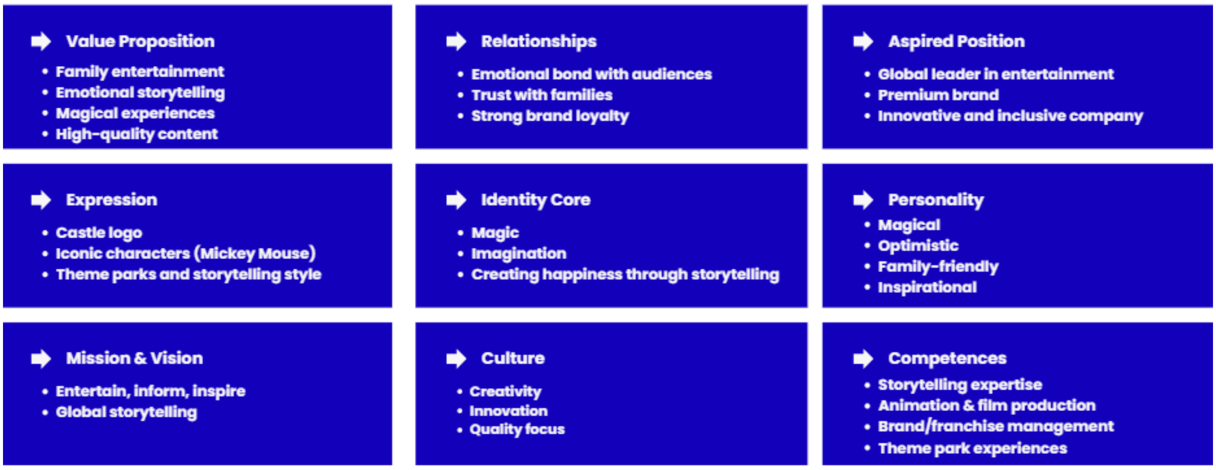


**Figure 1** Disney's Brand Identity Matrix

### *Corporate Brand Identity and Reputation Matrix (CBIRM)*

The CBIRM expands the CBIM by a reputational factor, including external stakeholder perceptions and their influence on the corporate reputation (Urde, 2024, p.205). This matrix helps to identify the discrepancies between Disney's intended brand identity and stakeholders' actual evaluations. In the Disney case, criticism regarding the representation of stereotypes in its legacy content has become a central reputational concern. A closer analysis of the matrix portrayed in **Figure 2** reveals that different reputational elements of the company are affected by this tension.

Firstly, misalignments between Disney's words and actions can negatively impact its *trustworthiness*. This is particularly relevant, as Disney's communication of its core values may contradict the representation of its historical content through stereotypical portrayals. This might affect *the brand's credibility* and perceived authenticity in committing to diversity and social responsibility, as well as positioning itself as a progressive company.

Another point to consider is that public debates, social media buzz, and attention from various stakeholders lead to higher expectations in Disney's corporate responsibility. This development influences stakeholders' *willingness to support* and raises questions regarding Disney's reliability in providing movies that reflect its core values. The company has to respond to the pressure from its stakeholders to reassess its brand identity, expression, value proposition, and positioning.

Furthermore, Disney is benefiting from its brand heritage and global brand awareness that make the brand *recognizable* and *differentiate* it from its competitors. Especially their position as a market leader in the family entertainment industry, increases *performance* perceptions of stakeholders and enhances perceived *relevance*. Nevertheless, the company should actively address tensions to ensure these inconsistencies do not harm its organizational strengths.

To conclude, this incident shows effects on various reputation elements. Disney needs to strategically address those challenges to ensure a consistent positive corporate reputation.

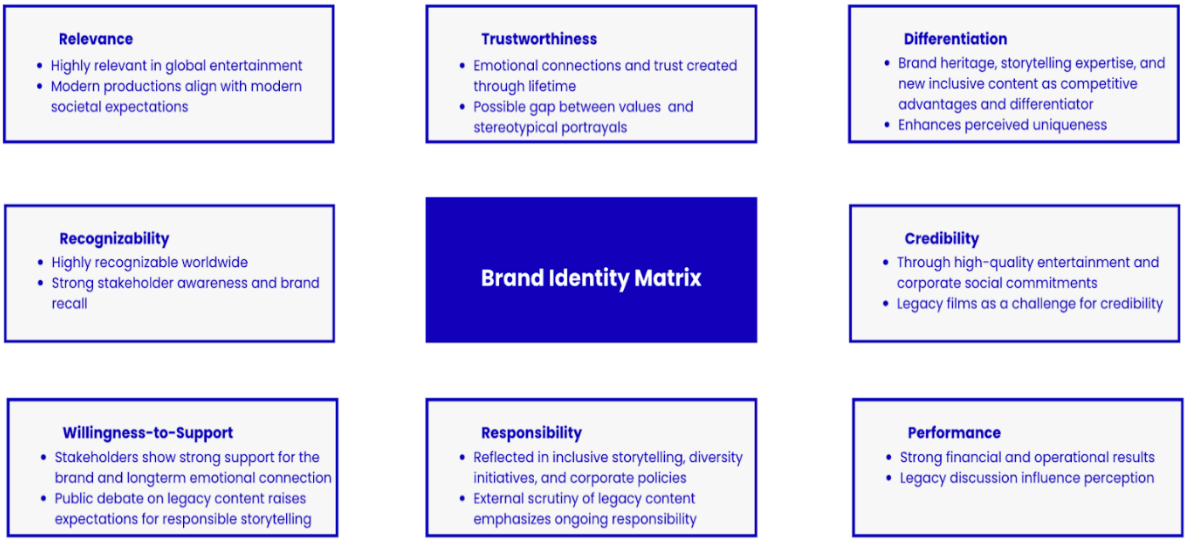


**Figure 2** Disney's Corporate Brand Identity and Reputation Matrix based on Urde (2024)

## Corporate Social Responsibility and the shift toward a 'Citizen Brand'

Corporations are increasingly judged on their ethical behavior, social values, and cultural influence. The case of 'The Walt Disney Company' illustrates an evolution from classical corporate social responsibility (CSR) towards a citizen brand (Roper & Fill, 2012, p.125). While standard CSR voluntarily integrates social and environmental concerns into business operations, citizen brands are placing their relationship with society at the heart of their business model (Roper & Fill, 2012, p.125). They acknowledge the societal impact and demonstrate accountability beyond economic goals. The transition is demonstrated by Disney's proactive response to criticism regarding its legacy content: Through the implementation of content warnings and the acknowledgement of harmful stereotypes, Disney is addressing the social consequences of its own storytelling heritage.

### *The Triple Bottom Line: 'Stories Matter'*

Disney's introduction of content warnings and the launch of initiatives like the 'Stories Matter' campaign in 2020 represent strong examples of the citizen brand orientation. It reflected an attempt to include social responsibility in the company's core product by auditing its legacy content and proactively addressing racial stereotypes in classics like *Dumbo* and *Peter Pan*. The initiatives can be better explained by the 'Triple Bottom Line' (TBL) framework discussed by Roper and Fill (2012, pp.125-126). The framework proposes that an organization's success depends not only on its financial "Profit", but also on its impact on "People" and the "Planet" (Roper & Fill, 2012, p.125). Disney prioritized the 'People' element by promoting diverse voices, inclusive storytelling, and cultural sensitivity. While simultaneously protecting its long-term brand equity, it addressed stakeholder concerns regarding social injustice and positioned itself as a unifying force in society, which is a core characteristic of a citizen brand (Roper & Fill, 2012, p.125).

### *The strategic shift in 2025*

However, Disney faced the risk of being perceived as hyper-adaptive to social trends at the expense of their core business value, which led to a tension within the citizen brand model (Roper & Fill, 2012, p.149). Focusing on social or political issues distracts an organization from its core commercial objective (Friedman, cited in Roper & Fill, 2012, p.53). In 2025, CEO Bob Iger emphasized that the company had become too political and announced a strategic management decision to remove content warnings from the film itself, move it into the 'Details' section, and cut back the 'Stories Matter' initiative. This repositioning mirrors Milton Friedman's view that a brand's primary responsibility is to profit and maximize value and profit (Friedman, cited in Roper & Fill, 2012, p.9). Iger's decision suggests that the brand's citizen status was undermining the 'Profit' component, and Disney's actions can be interpreted as an attempt to rebalance the Triple Bottom Line. Corporate responsibility is therefore not static but rather a dynamic process shaped by evolving stakeholder expectations and strategic priorities.

Although becoming a citizen brand can strengthen a modern reputation, the management of Disney must balance societal expectations and engagement with being profitable and maximizing profit and value for long-term corporate sustainability.

## Managing the Double-Edged Sword: Corporate Heritage and Nostalgia at Disney

A relevant concept to understand the case of Disney is corporate heritage, which Roper and Fill (2012, p.84) link closely to reputation and brand identity. Corporate heritage is not merely a collection of past events, but the accumulated value of an organization's history, traditions, and achievements that shape how stakeholders perceive the organization over time. It provides an organization with stability and a unique point of differentiation that competitors can hardly replicate (Roper & Fill, 2012, p.84). However, the Disney controversy reveals that while heritage is a commercial asset, it can simultaneously act as a reputational liability.

### *Heritage as a strategic asset: The Power of Nostalgia*

Over the years, Disney has built a powerful reputation that is rooted in storytelling, family entertainment, and emotional connections with stakeholders. According to Roper & Fill (2012, p.192), nostalgia acts as a driver for emotional attachment. Disney's films and characters have become embedded in collective memory across generations as the brand is associated with positive childhood experiences, emotional security, and reliability (Roper & Fill, 2012, p.140). With the launch of its streaming platform, Disney's heritage became a strategic asset: adult consumers could revisit cherished childhood memories by watching old Disney movies. Their power of nostalgia creates brand equity through immediate trust, emotional attachment of stakeholders, and the subscriber's long-term loyalty.

### *Heritage as a Reputational Risk: The Conflict of Outdated Values*

Nevertheless, corporate heritage can also become a liability. Disney cannot simply distance itself from its legacy content, but its past does not align with the modern moral compass that stakeholders expect from a corporate citizen (Roper & Fill, 2012, p.76). The launch of Disney+ created a contextual distance between past legacy films and present social norms. Reputation is shaped by stakeholder interpretations; thus, old movies were re-evaluated through current social and cultural lenses, resulting in a discussion on how to handle racial content in its legacy movies.

Disney's response to the dilemma demonstrates a strategic effort to manage heritage without undermining corporate identity: Instead of removing controversial films, which could have led to a boycott of people that connect these movies to childhood memories, they introduced content warnings and restricted access within children's profiles, adapting the content to modern standards (Roper & Fill, 2012, p.192). By acknowledging that some portrayals were wrong then and wrong now, Disney aimed to align its legacy with contemporary identity commitments such as diversity, inclusion, and social responsibility.

However, the decision, from 2025, to remove the warnings from the movies and put them into the 'Details' tab, indicates an attempt to re-center the brand to its functional value of entertainment and avoid the risk of being perceived as too political (Roper & Fill, 2012, p.253). Therefore, Disney is still navigating the challenge of managing a heritage that is its greatest asset but also a complex vulnerability.

## Strategic Problems: Gaps in the Corporate Brand

A successful corporate brand aligns the strategic vision of managers, the employee culture, and the image that stakeholders expect from the company (Hatch & Schultz, 2008, p.11). This is referred to as the Vision-Culture-Image-Alignment Model by Hatch and Schultz (2008, p.11), captured in **Figure 3**. The stronger the VCI alignment, the stronger the brand.


**Figure 3** Vision-Culture-Image-Alignment (VCI) Model by Hatch & Schultz (2008)

The launch of Disney+ and the development of a controversy surrounding problematic racial stereotypes in legacy content created a significant gap between the 'Image' and the 'Vision', which forced management to initiate a realignment strategy. While the management's 'Vision' was global inclusivity and cultural sensitivity, the 'Image' was influenced by negative depictions of racial stereotypes found in historical artefacts like *The Aristocats, Dumbo*, or *Peter Pan*. The gap presents a reputational risk: If left unaddressed, the brand's communicated identity could be perceived as unauthentic (Roper & Fill, 2012, p.192).

To resolve this dilemma, Disney implemented unskippable content warnings and the 'Stories Matter' initiative. By choosing to adapt the movies rather than removing them, the brand attempted to implement the pillars of the VCI alignment model.

Nevertheless, aligning vision, culture, and image is continuous. Many users were annoyed by the content warnings, which led to Disney's decision to remove them from the movies and include them in the details folder. The CEO's decision to return to a more functional positioning of entertainment and minimizing political friction reflects, therefore, another adaptation to shifting stakeholder expectations and a new attempt to align vision, culture, and image.

### Key Learning

**Figure 4** connects measurable action verbs to the Disney case and states the key learning objectives the case audience should achieve, elaborating on Bloom's Taxonomy (Bloom, 1956).

| Bloom's Level | Learning Point | Application to the Disney Case |
|---|---|---|
| Remembering | ... key stakeholder perspectives and historical context influencing the legacy content dilemma. | Students recognize how societal change and the launch of Disney+ increased criticism of legacy films such as Dumbo, Peter Pan |
| Understanding | ... corporate reputation, corporate identity, and stakeholder expectations. | Students explain tensions between Disney's brand heritage, nostalgia, and modern diversity expectations, and how legacy content affects reputation. |
| Applying | ... corporate brand management and reputation frameworks. | Students apply models such as the Corporate Brand Identity Matrix, VCI alignment, and CSR frameworks to analyze Disney's strategic responses. |
| Evaluating | ... Disney's management decisions regarding legacy content. | Students assess alternative strategies and evaluate reputational and ethical consequences. |
| Creating | ... a corporate reputation or communication strategy. | Students propose a strategy balancing brand heritage, stakeholder expectations, and long-term corporate reputation. |

**Figure 4** Disney Case Key Learning Objectives

## Discussion Question

The Disney case study can be examined from multiple perspectives, addressing different opportunities for the brand to react and interact with various stakeholders.

One main question will be presented that serves as the starting point. The question is developed for an in-class group discussion, giving students the opportunity to actively engage in solution development and critically reflect on possible alternatives. Assisting questions can be used to further stir the discussion.

### Main question

**As a member of Disney's top management team, you need to find a solution for this dilemma in a meeting:**

***How should Disney handle the legacy content and what alternative solutions are there? Should we consider rewriting history, or to what extent?***

### Assisted questions:

- What is the dilemma that Disney needs to navigate?
- How do Disney classics align or conflict with the brand's corporate identity?
- Should Disney take a unified approach for all historical content, or adapt its approach by culture or certain parts in individual movies?
- Who are the key stakeholders affected by Disney’s decision (e.g., children, parents, advocacy groups, creators, shareholders)?
- What possible reactions can stakeholder groups exhibit?
- What are the reputational or commercial risks for each option?

## Teaching Suggestion

The following teaching suggestions will help case presenters guide an engaging debate, helping students to critically reflect on the presented topic, driving the discussion to achieve the intended learning objectives.

### Pre-presentation Phase

Students are asked to prepare in advance for a productive discussion to fully understand the context and complexity of the Disney case. Therefore, students should receive the Written Case before the actual discussion to gain a broad understanding of the topic and company.

Students are encouraged to read and familiarize themselves with the Written Case, build a broad understanding of the context and reflect on their own experience with Disney (e.g., childhood memories, Disney Classics, nostalgia, use of the Disney + platform, etc.).

The teaching note, as well as visual presentation materials in form of Power Point Presentation, should be used by the case presenters to build a clearer understanding and provide visual examples to structure and support the class discussion.

## Introduction phase

To break the ice, the presentation can start with an interactive opening question, introducing the topic and assessing students' familiarity with the brand and its practices.

The following questions can be used as possible openers. The presenter may use one or two of them:

- What memories do you connect with Disney?
- Have you recently watched a Disney Movie and which one?
- Do you rather watch newer movies or Disney classics?
- What is your favorite Disney movie?

The question can help build a general overview of the audience's current knowledge and familiarity with the brand.

As the next step, the presenters give a short overview and background information about Disney and the case, informing the audience about the incident, ensuring everyone is on the same page.

## Discussion Phase

At this phase, students should know:

- Disney's corporate identity, mission and vision, core values
- Information about the incident
- The role of nostalgia in the Disney movie context
- Disney's target audience and various stakeholder involvement
- Ethical and reputational tension between legacy content and societal changes

The main question will be presented to the participants. They are asked to play the role of Disney's top management team and find a solution for Disney's dilemma: Firstly, they will be asked to identify the key issue Disney has to face. While the case presenters will guide the discussion as moderators using main and assisting questions to drive the debate, the audience is invited to take the role of a Disney board member or external brand consultants, developing multiple solutions and finding the best possible alternative.

The case presenters may use two whiteboards if possible. On one whiteboard, it is recommended to start collecting the key issues of the case. On the second board, possible alternatives in the form of a solution tree can be documented. Pointing out various benefits and potential risks helps to facilitate a comparison for a final vote, encouraging participants to decide on their perceived best possible solution.

*Exemplary Solution*

The board plan (see **Figure 5** and **Figure 6**) can be used as a discussion base, helping to visually structure possible alternatives. The board should include participant input and can therefore be adapted dynamically to either extend or adapt the proposed framework. Assisting questions can be used as a driving mechanism for the audience to consider various angles.

Before voting, the case presenters should briefly summarize the possible alternatives and ask participants to add final thoughts. As the final step, the audience should evaluate and give one final recommendation on how Disney should proceed.


**Figure 5** Exemplary Board Plan

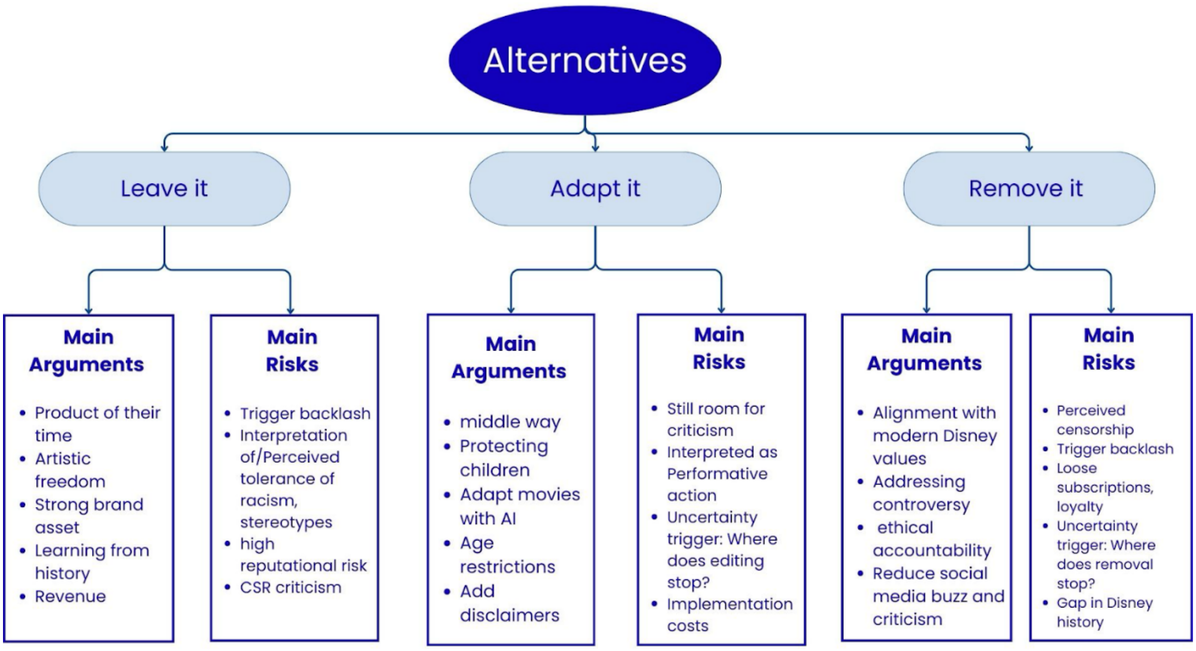


**Figure 6** Exemplary Solution Tree

## Conclusion Phase

The actual management decision will be revealed by the case presenters after finishing the discussion and final vote. Depending on the actual vote, moderators should adapt to highlighting different aspects more intensively:

- When the audience opinion aligns with Disney's actual action, instructors could highlight supporting arguments

- When audience opinion differs from Disney's actual action, the presenters could evaluate with the class whether the solution is sufficient

Overall, the case presenters should briefly summarize key insights and learnings from the case, which might be relevant for other brands facing similar problems. To conclude the presentation, the teacher should thank the participants for their input and contributions.

### *Timeplan*

The following proposed 30-minute timeplan (see **Figure 7**) should serve as a framework for moderators for an efficient and successful discussion implementation, including an introduction, discussion, and conclusion phase.

A suggested structure for a 30-minute session:


**Figure 7** Case Presentation Timeplan

# Reflection

The Disney case, examined for BUSN35 Corporate Brand Management and Reputation course at Lund University, offered multiple learning opportunities. The process of developing the business case not only provided valuable insights into CSR, moral responsibility, stakeholder expectations, and strategic management of legacy brands, but also encouraged communication and team collaboration within our team.

While uncovering the three main parts, writing the case narrative, management decision, and teaching note, each segment contributed individually to descriptive, analytical, and pedagogical skills, which added to an enriching learning experience.

A main challenge in the beginning for our team was to identify and grasp the case's complexity, because the case touches upon multiple different topics like corporate identity, CSR, cultural history, and stakeholder engagement. Nonetheless, the two-step approach of figuring out the core dilemma first and afterwards developing a solution tree provided a helpful management tool in addressing the core concerns. Also, assessing the case from various angles helped us in building a better understanding of the case development. Through applying different concepts and discussing different strategic decision options, we discovered that in corporate brand management, rarely does one 'perfect' solution exist, each alternative encounters trade-offs and risks. Understanding these trade-offs became a key learning to understand the importance of long-term brand consistency, brand identity, and stakeholder involvement rather than focusing solidly on short-term public acceptance.

One of the most interesting aspects of working on the case was identifying how powerful emotional connections can be and how nostalgia can not only be beneficial for Disney but also exhibit ethical dilemmas. Internal debates to find different alternatives within our team highlighted the tension described in the case, but overall enhanced the quality of our case development, leading to a multiperspective analysis.

A key limitation in the research process was that Disney didn't publish an official statement, making it harder for us to understand the internal decision-making process and Disney's actual reasoning behind its decision to add disclaimers. Therefore, we mainly relied on interpretations rather than actual managerial statements from the company.

In conclusion, the case study strengthened our understanding to apply theoretical marketing concepts to a highly familiar yet ethically complex brand. The case clearly showed how brands continuously have to deal with brand reputation challenges, especially in the context of brands that must balance heritage with progress and relevance. Therefore, the Disney case equips students with a strong skillset that can be applied to other business cases and scenarios.

# References

Bloom, B.S. (1956). Taxonomy of educational objectives; the classification of educational goals. New York, Longmans, Green.

Hatch, M. J., & Schultz, M. (2008). Taking brand initiative: How companies can align strategy, culture, and identity through corporate branding, San Francisco: John Wiley & Sons.

Roper, S., & Fill, C. (2012). Corporate Reputation: Brand and Communication, Essex: Pearson Education Limited.

Urde, M. (2024) The Brand Matrix, Hoganas: Brandur Publishing AB.