

Disney could be struggling to connect with kids in the digital age

Article

The news: Disney, once the dominant force in children's entertainment, is grappling with significant challenges in maintaining and expanding its reach among younger audiences.

- **The Disney Channel**, once a cornerstone of the company's influence on children that was a top 10 network in 2014, has seen its viewership plummet to a mere 132,000 average daily

primetime watchers in 2023.

- Nielsen estimates show children ages 2 to 11 prefer **YouTube** over traditional TV and **Disney+**, viewing three times more YouTube content in April compared with Disney+.

More on this: EMARKETER data shows YouTube dominates social media usage among US children under 12, with 58% preferring it over **TikTok** (5.5%), **Instagram** (5%), **Facebook** (3.7%), and **Snapchat** (3.2%).

- Gen Z shows a strong inclination toward Snapchat (52.3%) and TikTok (43.8%), but YouTube remains vital with 25.5% of the total user share. Disney+, capturing 30% of Gen Z users, struggles to maintain engagement with the youngest audiences.
- US children under 12 prefer YouTube, which has 28.6 million viewers, followed by **Netflix** (17.2 million) and Disney+ (15.6 million); see chart below.

Why it matters: This shift has profound implications for Disney. The company risks losing the next generation of fans, which could affect its broader revenue streams, including theme parks and merchandising.

- The company's attempts to engage kids through YouTube Shorts and integrations with popular games like **Fortnite** are steps in the right direction. However, these efforts seem reactive rather than proactive. The stark decline in Disney Channel viewership underscores the urgency to innovate more aggressively and strategically.
- Over 60% of Disney+ subscribers reportedly do not have children at home, per company data. This suggests that while Disney+ is appealing, it may not be a go-to platform for kids. The company's traditional strength—long-form content—is at odds with the current preferences of its youngest audience, who favor quick, engaging videos.

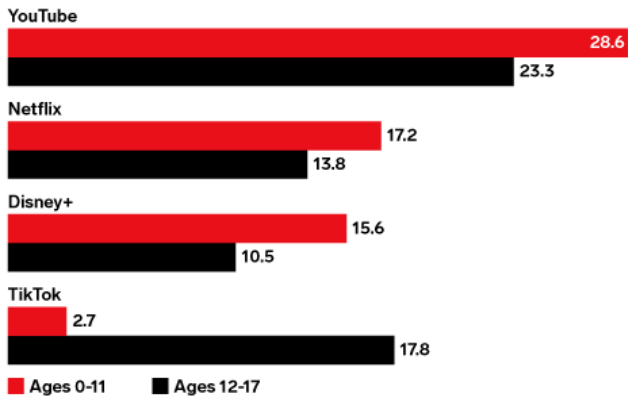
Our take: The rise of short-form content on platforms like YouTube has fundamentally altered how children consume media—and Disney seems slow to capitalize on this shift. The company needs to rethink how it can capture and retain the attention of young audiences.

- Investing in new formats and platforms that resonate with children's viewing habits is critical. Disney's iconic characters and stories can thrive in these environments if adapted correctly—but overreliance on existing franchises like **Marvel** and **Star Wars** poses a risk.

- Without fresh, original content that captures young viewers' imaginations, Disney may struggle to compete with content creators attuned to current trends.

US Children and Teen Digital Video Viewers, by Platform, 2024

millions



Note: individuals who access their account via any device at least once per month
Source: Insider Intelligence | eMarketer Forecast, Sep 2023

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