

Disney swot analysis assignment



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CLASS: Global Public Relations ASSIGNMENT: Analyze any SWOT factors that may affect Disneyland when built in Shanghai Strengths: ? ‘ About 300 million potential customers live within two hours of the [Shanghai] sight’ (Source 4) Creates opportunity for word-of-mouth advertising. Locals of the Shanghai/Pudong District will most likely be the early adopters to the park and have the money to spend there. Shanghai has the highest GDP in China. ? ‘[China has] 1.3 billion increasingly wealthy people–290 million of them under 14, Disney’s prime audience’ (Source 8) Situation is ideal.

Children have a strong influence regarding how their parents spend money. ? ‘ Retail sales are growing 17% a year in China after adjusting for inflation, almost twice as fast as the overall economy’ (Source 5) This could mean high profits from merchandise sold within the park. ? ‘ In 1995 The Lion King became one of the first Western films to premiere in theaters since the communists took over China in 1949. More than 15 other movies have followed, an impressive record, given that Beijing allows only 20 foreign films to be shown in the country each year’ (Source 8) This is a great strength.

Disney clearly has a lead among the Western media permitted into China. High brand exposure already. Weaknesses: ? Disney typically relies on the creation of new Disney TV channels to pump its brand abroad (Source 4) Without the availability of a Disney TV channel in China, it will be more difficult to promote the brand than it was in other markets. ? Until a few years ago, hardly anyone knew Mickey Mouse and Donald Duck even existed. Disney characters were banned for nearly 40 years after Mao’s takeover.

Now Chinese kids are familiar with the classic characters—in part from pirated DVDs—but their knowledge of Disney lore is limited. (Source 8) In most countries the Disney characters have long been a part of popular culture. Parents are attracted to Disney parks not only for their children, but also because it was such a strong part of their childhood as well. In China, adults have no childhood connection with the brand. ? Shanghai starts the year shivering in midwinter, when temperatures can drop below freezing and the vistas are gray and misty.

Spring brings warmth; April to mid-May is probably one of the best times to visit there, along with autumn (late September to midNovember). In summer the hot and humid weather makes conditions outside uncomfortable, with temperatures sometimes as high as 40°C (104°F) in July and August. In short, silk long johns and down jackets are needed in winter, an ice block for each armpit in summer and an umbrella wouldn't go astray in either of these seasons (Source 10) Due to undesirable weather, the park may not profit very much during the summer and winter months. The project would initially occupy 116 hectares (287 acres) of land — a bit more than half the size of the Los Angeles park and potentially the smallest of the Disney theme parks worldwide. (Source 17) Tourists may opt to visit a larger Disney park over the smaller Shanghai location. Opportunities: ? The Walt Disney Co. plans to adapt, rather than translate, the film [High School Musical] for the Chinese market, working with Shanghai Media Group and Huayi Brothers Media Corp. according to a statement from Disney (Source 18) By recreating this smash hit with Chinese actors, it will create relatability from Chinese citizens. This film potentially could create fantastic publicity for the brand. ? Last year, the

[Shanghai] city created 651, 000 jobs, 43, 000 more than in 2004, and reported a registered unemployment rate of 4. 4 percent, down by 0. 1 percentage point. The number of unemployed people stood at 275, 000 in 2005 (Source 9) Building this theme park in Shanghai would provide vast amounts of jobs to Chinese citizens. Disney on Ice has been performed in Beijing, Guangzhou and other cities since 1996 (Source 8) & [The Lion King Broadway-Style production] has been seen in 13 different countries (US, Canada, UK, Japan, Germany, Holland, France, Mexico, Australia, China, Taiwan, South Africa and Korea) (Source 7) These live Disney performances help to promote Disney in creative ways. This also provides the opportunity to continue promoting the brand with other live performances such as Beauty & the Beast, The Little Mermaid, and other ' Disney on Ice shows. ' ?

Walt Disney Internet Group has also reached a deal with China's Shanda Interactive Entertainment to launch Disney-themed Internet-based video game (Source 11) Expanding the Disney brand with online gaming will promote it across a wide variety of consumers, many of which will be in Disney's target age group. Threats: ? ' Amid rice fields and bamboo groves south of Shanghai, hundreds of villagers are resisting plans to dig up family graves in order to make way for the first Disneyland in mainland China' (Source 19) Could create a PR setback for Disney.

In a land where ancestor worship is common, it might create problems to upset citizens in a manner that disrespects their forefathers. ? U. S. film giant Universal Studios is awaiting regulatory approval to build a theme park costing more than 10 billion yuan (\$1. 5 billion) in Beijing, a Chinese government official said on Thursday (Source 12) If approved, this theme

park could be a stiff competitor to the Disney park. Many adults might choose to go to the Universal Studios park because it has a more mature theme. Of China's 2, 500 theme parks, 70% are operating at a loss, according to a survey by the Horizon Group, a strategic research and consultancy firm. With about 150 billion yuan invested in the parks, only about 10% are making a profit (Source 6) These numbers show that the amusement park industry in China is doing poorly. By opening the Shanghai location, Disney is taking a great risk that the park would fall into the popular category of operating at a loss. However, some were unhappy that the company is moving to town. Min Guoyao, a resident at Zhaohang village of Chuansha, has lived with his family in a two-floor home for more than 50 years. He now expects his house will be demolished to make way for the project. " Our family has been living here for many generations. I really have no idea how we'll be resettled in another place," Min said (Source 13) The relocation of citizens who have lived in the area for will generate negative publicity surrounding the park.