

# Critical successful factors of walt disney essay sample

[Literature](#), [Russian Literature](#)



Disney is one of the multinational enterprises operating all around the world. Recently, it is a successful company, its critical successful factors of global strategies of Disneyland and its standardisation and adaptation of marketing mix would be discussed. Upon reviewing the global development of Disneyland, they have experienced some cultural difficulties especially in Paris and in Hong Kong. Disney has continuously put effort to solve those problems and improvements could be shown, thus it continue to expand its business of Disneyland and the new branch of Shanghai Disneyland would be opened by 2015. And the new branch should make use of the critical success factors and cultural bias happened before and the existing marketing mix to formulate its marketing plan and strategies.

## Introduction

### Walt Disney's background

Walt Disney Company was found in 1932 and it has five major business segments which include Media Networks, Parks and Resorts, Studio Entertainment, Consumer Products and Interactive Media. (Walt Disney, 2010) The report would be focus on the segment of Walt Disney Theme parks and Resorts which is operated by Walt Disney Company. The business of Walt Disney Theme parks and Resorts was started on 17 July in 1955 in Anaheim California by Walt Disney, since then four other Disneyland has opened around the world and it was in the service industry. The year of the opening of Disneyland of Florid, Disneyland of Tokyo, Disneyland of Paris and Disneyland of Hong Kong (HK) was 1971, 1983, 1992 and 2005 respectively. There will be a new Disneyland in Shanghai and it hopes to open by 2014.

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The expansion of Disneyland overseas could be explained by Ansoff Matrix which was published by Igor Ansoff in 1957 . At the beginning, US Disneyland was focus on market penetration and over a certain period of time, there was saturation of demand in US Disneyland and thus Disneyland expanded overseas as market development. As a result, Disneyland was operated in Tokyo, Paris, HK and Shanghai.

The Disneyland of California was a great success as it could be proved by the following captured words from Disney website, by the time of 10th anniversary, there were 50 million visitors had went to Disneyland and it was the first large theme park in the world at that time and nowadays, Disneyland of Walt Disney is a multinational enterprise (MNE).

Walt Disney theme parks and resorts mission and vision

The original vision of Walt Disney in constructing Disneyland is to be a place where children and parents could have fun together (JustDisney, 2010) and nowadays, its vision tends to be more magical and its mission is “ to make people happy” and provide the feeling of “ Where Dreams Come True”. Walt Disney promised to bring all ages customers into a fantasy world and they could enjoy a memorable journey. The mission and vision of the company could help to formulate the growth direction of Disneyland.

Walt Disney theme parks and resorts’ environment

After Walt Disney expanded its business of theme parks and resorts outside USA, some problems had raised in Paris Disneyland and HK Disneyland. In

Paris Disneyland, cultural bias was the most important issue at that time which Walt Disney had put effort to solve the problem and improvement had been made. At the hard time in Paris Disneyland, a marketing consultant said employees felt unfair by some working and currency problem by Walt Disney and the managers in Paris Disneyland could not operate very well due to France was keen to support its nature with every opportunity. (Viki Bennett, 2004)

Besides the problems in Paris Disneyland, there were some problems in HK Disneyland. The size and the culture of it were the issues which should be focus on. The size of HK Disneyland was the smallest among all Disney theme parks and it was smaller than Ocean Park in HK. As Ocean Park was the main competitor of HK Disneyland, customers would think it was more valuable to go to Ocean Park rather than go to Disneyland as there were more facilities in Ocean Park. Besides that, HK Disneyland could not fulfill teenagers' needs as they want to be thrilled by the facilities, however, the facilities in HK Disneyland failed to meet their needs and wants. Thus, expansion was planning in advance and there would be three new themed land built to meet teenagers' needs. (Brady MacDonald, 2009)

Although there were some problems in certain Disneyland branches, Disneyland was still a successful MNE as it had put effort to solve those problems. In addition, global environment was very important to a MNE to formulate its strategies in different regions and plan for expansions. SWOT analysis would be used to evaluate Disneyland's current situation.

For the strengths in SWOT analysis, Disney is a widely recognisable company name and known everywhere in the world. Its world-known brand name is the strength of it. Besides, service is the strength of Disneyland as well. Disney has unquestionable exemplary customer service, employees were empowered to provide each customer with a “magical” stay. In addition, Disney had the unique products and unique cartoon characters which attract the fans of the characters to go to Disneyland. Also, the atmosphere in the theme parks was unique for Disneyland as the designs of the Disneyland were based on a magic world, the castles in each Disneyland are the landmark of Disneyland.

The weaknesses of Disneyland are that with their rapid expansion and different business platforms that it Disney has entered into foreign markets, it leads to the difficulties in managing their company culture overseas such as in Paris Disneyland. The other weakness is Disneyland failed to target all families as it is very expensive even with lower-priced resorts a week at Disneyland cost around HKD\$12000 for a family of two adults and two children and the food and other expenses in the parks are expensive too.

For the opportunities, Disney has taken steps to seize growth opportunities, Shanghai Disneyland is going to open in 2015 and it is mainly targeted on China people to go and China has become the world's second leading spender on vacation expenses, thus the growth of Shanghai Disneyland can be secured. Besides, in order to expand its business and fully utilise its resources, tickets could be sold at a lower price in non-peak seasons. Also, Disney could incorporate more events to attract more customers.

Economic recession and inflation rate in global environment would be the major threat of Disneyland. The purchasing power would be affected by recession and inflation rate leading to lowering the number of customer going to the theme parks. Thus Disneyland needs to think of the reaction policy in dealing with these external changes, its policies need to be more flexible. Besides, competitors would be their threat also, Disneyland has three major competitors which are Bush Gardens, Six Flags and Universal Theme Parks in the global market and there were hundreds of competitors as it is competing against every other form of entertainment for customer business. Disney needs to forecast the changes of its competitors and try to combat those threats by formulating suitable strategies.

#### Critical success factors in global marketing MNEs

After exploring the problem faced by Disneyland and the current environment of Disneyland, to be a successful MNE, Walt Disney should understand the critical success factors in managing a global marketing strategy, which include seven factors of understanding the global marketing environment, analyzing global opportunities, developing global participation strategies, designing global marketing programs, managing the global market effort, adaptation and a need for global mindsets. The following factors would be explained by using Disneyland as an example.

#### Understand the global marketing environment

In order to understand the global marketing environment, Disneyland should understand the global economy, cultural and social forces and the political

and regulatory climate. For global economy, Disneyland should know the economic condition of the global market as there was no doubt that the world has been moving towards a single global economy and the market was more transparent. Also, the global economy condition would directly affect the company's profitability. After the economic tsunami, the revenue of Disneyland was reduced which was indicated in the annual report of Walt Disney Company . As the market becomes more transparent, buyers, sellers and investors can access better opportunities in lowering the costs, thus a successful MNE should be able to anticipate trends of economy and respond to them quickly.

For the cultural and social forces, it was an important element for operating a MNE such as Disneyland. The most important factor was to avoid cultural bias as it could help to formulate its decisions to suit local employees and customers. The problem mentioned before could indicate that there was cultural bias of Disneyland of Paris thus leading to a failure of delivering best service for customers. By learning from Disneyland of Paris, Disneyland of HK had provide better training for employees and the top managers are HK people and they are supposed to understand the HK culture better than foreigners managers.

For political and regulatory climate, it is an important element of a MNE like Disneyland to plan for expansion. From the news in 2007 , there was the idea of building new Disneyland in Dubai but this decision have not been made until now which meaning that there were some problems raised. From

the article , it had stated that there were some problems related to political issues in Lebanon.