

# Euro disney case study

Business



This led to a downward spiral into a bottomless pit of failure, fast. From day 1, the theme park destined for greatness became a major disaster. How could such a historically successful corporation achieve what management, executives and other high ranking individuals of Disney sought impossible?

Delaney made various planning mistakes in Euro Disney's business plan. This is hard to believe considering the time it took to develop said plan.

Some of these mistakes were more detrimental than others but they all contributed to a profitless theme park.

Two major flaws covering a few aspects stood out to me as very detrimental to Euro Disney's chances at success. The biggest flaw was that the business plan was looked at from an American point of view and Disney did so in all sorts of areas. To start off, Disney assumed that European visitors would not be very different from the visitors- foreign and domestic- at US parks. Of course they were wrong, European visitors spending patterns and lengths of stay were far different than not traveling to the US..

They also were mistaken when using the U\_S\_ Disney visitors to population ratio.

Basically they reasoned that since Disney parks in the U. S. (population 250 million) attracted 41 million visitors, then Euro Disney's attendance could reach 60 million with Western Europe's population of 370 million. What they failed to recognize was that in the U.

S. Disney is a near cultural staple like cookouts and fireworks on the 4th of July, something I will go into more depth later. You would think that those

putting together such an extensive business plan for a \$22 billion investment would use a more thought out and complex aura for attendance.

Next, they figured those visiting Euro Disney would be spending similar amounts of money at the park as well as similar amounts of time there as at the U. S parks. Travelers to the U.

S. Were much more willing and ready to spend money at a theme park compared to a local theme park. Disney or not. Disney failed to acknowledge that Europeans have very different vacationing practices than Americans, especially in a relatedly local location like Paris. The business plan did pay rather good attention to detail but in the wrong areas, areas that Americans would likely recognize.

There was leather wallpaper in a restaurant that had huge breakfast crowds and a demand for wine but did not serve either.

They "thought" Europeans did not eat breakfast but most visitors arrived early in the day expecting to have a meal at the park before a long day. You would think they would do a little more research on dining in Europe than delving something they heard through the grapevine. Many restaurants were designed for fancy, multi course meals that were focused on making money but Europeans visiting the park were looking for dining options atypical to their normal meals.

Last, the Marketing of the park was very poor. Like in the U. S.

, advertisements were directed towards the youth, when ultimately it would be the parents decisions whether or not to take the trip. For the most part,

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European parents did not care for Disney like parents in the U. S. That grew up with it. They should have focused on informing European parents n what Disney and its theme parks were all about.

Also, theme parks in Europe are rather UN-established which is something that Disney should have accounted for in terms of advertisement.

Delaney executives blew off the fact that 2 out of 3 theme parks opened in France between 1987 and 1991 went bankrupt. They should have researched and learned from their mistakes mainly in the area of advertisement since the 3 parks started out with great fanfare but soon failed. Disney did an overall poor Job in various areas of the parks planning and lot of the issues of Euro Disney's equines plan can relate to its location. A serious economic recession was affecting Europe at the time of Euro Disney's opening.

Maybe it was bad timing, or maybe Disney chose the wrong location to put a 20+ billion dollar theme park that required a lot of Europeans money Just to stay afloat.

Unfortunately, the chance of that happening was slim due to such a recession. The recession didn't terribly impact attendance, but it impacted visitors spending patterns and lengths of stay. Disney theme parks are a tourist trap to spend money and Euro Disney was no different. It had retail shops with Jewelry, fancy multi course restaurants, and high prices hotels. Visitors were very price conscious when visiting the park.