Project Memorandum

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| to: | the direction of board |
| from: | team foxtrot |
| subject: | Analysis of picking the optimal strategic plan |
| date: | April 26, 2021 |
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# Introduction

Walt Disney seeks to promote a new project to grow the park segment, which composes $11 billons round 30% of total company revenue. The following provides descriptions and analysis of three projects，which are Disney Quest, Digital Overhaul, and Hawaiian Hotel, Walt Disney will focus on. According to the data and information has so far recommended an optimal to promote.

# findings

Since 1984, the Disney amusement park has experienced a full range of innovations, such as the ticket type, and parking lot charging method. While continuing to innovate, its business has also expanded to many peripheral industries while satisfying existing needs while expanding the scope of the consumers, such as holding large conventions, building retail complex, and some file-related peripheral products. After analysis, the part of the park with the largest share of revenue will be upgraded to the optimal strategic plan. In the process, Walt Disney world can better understand the customer needs and make corresponding adjustments according to the data analysis results to achieve the maximum benefit while improving customer satisfaction. Thus increase customer repurchase rate and brand loyalty.

# strategic options

By using SWOT analysis to discover the strengths, weakness, opportunities, and threats of each projects to clearly depict reason of choosing Digital Overhaul.

**DisneyQuest** is a theme park designed to create a small indoor immersive experience. Walt Disney has failed investment experience in Disneyquest's project. Based on this, we give an analysis.

* Strength
  + The existing brand influence can bring a stable source of customers for the early stage of the project.
  + Using VR technology can provide guests with an immersive experience.
  + Compared with the outdoor park, the cost is lower in the early stage.
* Weakness
  + It is not attractive to most family tourists because many virtual reality games on the market do not provide multi-person interaction, which also reduces the participation of parents.
  + Based on past experience, the human and resource allocation for follow-up and update of VR technology is insufficient.
* Opportunities
  + Develop new Disney VR peripheral products based on this project.
* Threats
  + The previously unsustainable DisneyQuest may hurt the market effect of the project.
  + The target customer of this project is teens, and according to the data in exhibit 1, it can be seen that the proportion of households without children in each group based on income is the first to bear the brunt.
  + The total number of target customers is small, and the proportion of unstable customer sources is relatively large.

**Hawaii Hotel** project is dedicated to creating a holiday resort with the theme of better-enjoying family travel in Hawaii. This will also be the first Disney hotel independent of the park.

* Strengths
  + The existing market popularity and reputation facilitate the market promotion and momentum of the entire project.
  + Consumers with customer loyalty are likely to choose Disney resorts in travel arrangements, which can bring a relatively stable source of tourists to the resorts.
* Weakness
  + Compared with the other two projects, the cost excluding the purchase of land is US$800 million, which is the highest basic investment. The relative risk is high, and the income trend is unstable.
  + No relevant experience in operating a theme hotel independent of the park also brought challenges to the project.
* Opportunities
  + Attracting new target customers who are interesting in Disney and All-include luxury beach hotel.
* Threats
  + The cost of entering the market becomes high. There are still some strong competitors in the complete industry chain related to Hawaii vacations, which indirectly increases basic costs.
  + A typical tourist city (Hawaii) has a significant difference between the off-season and the peak season. These characteristics may affect the overall benefits of the project.

**Digital Overhaul** is a project for electronic innovation based on the existing facilities in the park to provide consumers with a better immersive experience.

* Strengths
  + Conforming to the trend of technological innovation of the times, it can bring more magical elements to the theme park.
  + This is a fashion statement and allows teens to gain autonomy and make children feel that this is their magic land.
  + The initial investment of this project is relatively small among the three projects. On the contrary, its expected income is relatively stable also low risk.
  + It can increase the total revenue of the park relatively steadily.
* Weakness
  + When real-time data statistics are performed inside the park for the first time, large-scale network maintenance may be a challenge that needs to be faced.
* Opportunities
  + Follow-up analysis through electronic band data collection can more comprehensively understand the preferences of customers.
  + The obtained data analysis can optimize customer segmentation and provide customers with products more suitable for their needs in subsequent publicity.
* Threats
  + Apply pay and credit card payments are still strong competitors for the band.
  + Many customers will rely more on familiar payment methods and take a wait-and-see attitude towards emerging methods.

# reecommendation

# Cooperate with technology companies and bracelet design and production suppliers to make some experimental bracelets and take the lead in testing in some parks. Detect the popularity, reliability, and durability of the product through data monitoring and public opinion surveys, thus improving the band. The band is not only a sales tool but also a fashion icon. Bands with different design styles can be produced in small batches for trial sale in some parks. Through statistics and analysis of its data, such as AB test, find out the styles that can attract customers to increase sales. In terms of payment, Disney World has signed agreements with credit card alliances such as visa and master for in-depth cooperation to make payment more convenient. Establish an independent maintenance and analysis team related to this project based on existing technical personnel.

**Reference**

Rory, Mcdonald. Allison, Mnookin. Iuliana, Mogosanu. (2021). *The Walt Disney Company: Theme Parks*. HBS No. 9-620-039. Boston, MA: Harvard Business School Publishing.