

# Opportunities and Challenges of Theme Parks after Covid-19 - A Case Study of Shanghai Disneyland

Yaoxi Jin, Shuo Yu, Bingchan Xue

Faculty of International Tourism and Management, City University of Macau, Macau Sar, 999078, China

**Keywords:** Challenges, Covid-19, Shanghai Disneyland, Opportunities

**Abstract:** Theme parks inevitably face various risks in the course of their operations. Taking Shanghai Disneyland as an example, this study explores the opportunities and challenges brought by Disney in the post-COVID-19 era from a risk perspective through literature research and online review searches and then constructs a research model to propose relevant policy recommendations in a targeted manner.

## 1. Introduction

During these two years, COVID-19 was a global pandemic, and according to the trend of the New Crown virus data model, the slope of the growth curve became significantly flatter (Figure 1). The global wave of New Crown infections would subside during the next few months (Christopher Murray, 2022) [6]. However, COVID-19 has had a major impact on the tourism industry in the last two years, and the global tourism industry has almost hit the pause button.

Source: Christopher Murray, 2022

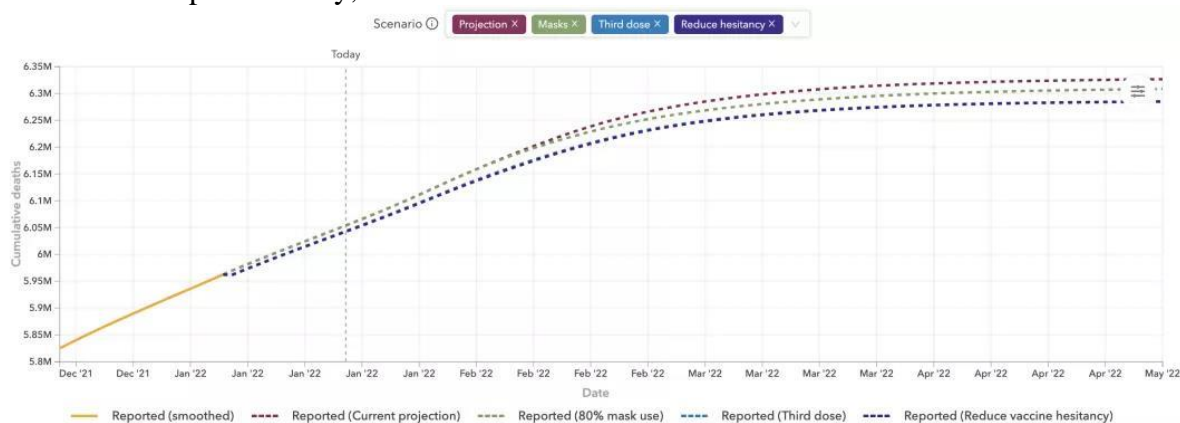


Fig.1 New Crown Virus Data Model Trend

As a key cultural industry supported by the Chinese government, the animation industry is also the most promising new industry (Tan & Shao, 2016) [11]. Theme parks are the product of the deep integration of “tourism + culture,” and in the context of the development of cultural tourism integration, China's theme parks have attracted a large influx of capital (Yang, 2020) [13].

However, due to the impact of COVID-19, China's theme parks have closed with serious losses (Cao, 2020) [3]. This study will discuss a series of measures taken and problems faced by Chinese theme parks to combat COVID-19, explore the economic impact of COVID-19 and the government's response, and consider the opportunities and challenges facing Shanghai Disneyland in the future through relevant news reports, literature compilation, and model analysis (Cumming, 2022) [4].

## 2. Opportunities and Challenges

*Opportunities:* Under COVID-19, the greatest significance of Shanghai Disney to Chinese theme parks lies in industrialization (Cheung & McCarthy, 2019) [2], promoting the transformation of Chinese theme parks to the field of technology, digitalization, driving and comprehensively enhancing the excitement, entertainment, interactivity, participation and technological content of theme park products, and improving tourism attractiveness (Pan, 2010) [7].

*Challenges:* The occurrence of COVID-19 and the seriousness of tourists' panic, how to revive the theme park quickly after the crisis also seems crucial (Sun, 2015) [9]. Located in a specific political, economic, and cultural environment, Shanghai Disney Resort is bound to face challenges such as cultural conflicts (Sung, 2021) [10] and policy controls (Bao, Xu & Li et al., 2001) [1], environmental pollution (Zhang & Tao, 2019) [15], and fierce competition (Yao, 2017) [12].

## 3. Method

This study identifies the risk sources of Shanghai Disneyland under COVID-19 and analyzes them using the diamond model proposed by Michael Porter based on literature data and reviews from major websites. The competition and cooperation mechanisms of Shanghai Disney interact to improve the competitive advantage of the industry in the theme park (Figure 2).

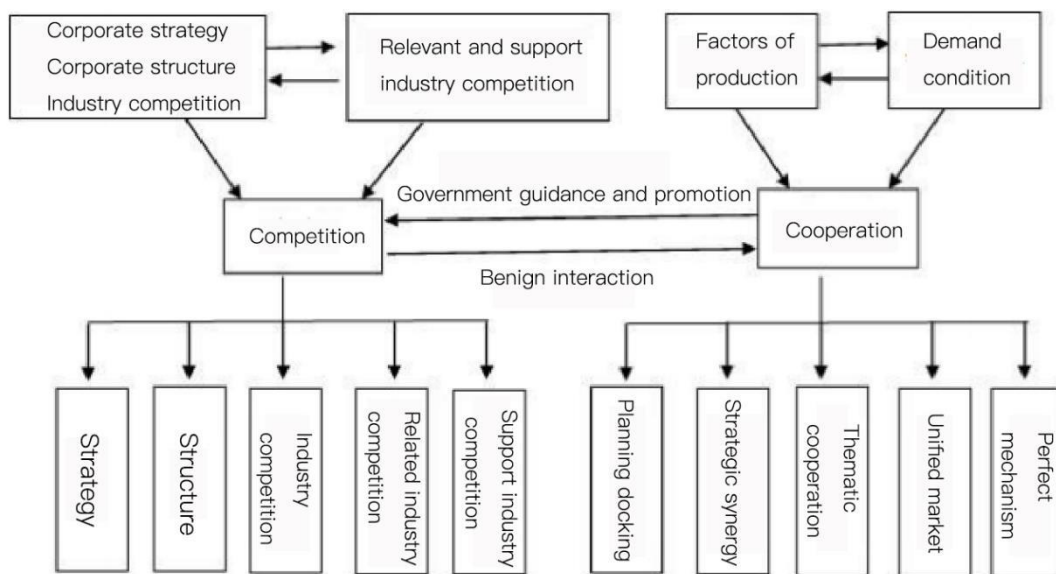


Fig.2 Competition and Cooperation Mechanism of Shanghai Disney

## 4. Solution

After the epidemic was brought under control, most people needed different leisure activities to relax their minds and alleviate the effects of isolation and negative social issues. The opening of

Shanghai Disney after the park's closure created post-epidemic benefits through this tourist mentality, in addition to its own safety and disinfection improvements (Cao, 2020) [3]. This study provides directional recommendations for the Shanghai Disney Resort operation management.

1) Shanghai Disney Resort should focus on adjusting its business model and management philosophy during future operations, adopting localization strategies, actively integrating and adapting to Chinese culture, and focusing on innovative management of products and services to avoid culture clash issues (Fung & Lee, 2009) [5].

2) Theme is the soul of the theme park. Shanghai Disney Resort can take the way of joint scenic spots and enterprises and establish linkage mechanism with the surrounding characteristic theme parks in a more interactive and mobile way to resonate with the tourists in the service, forming a multi-win situation and enhancing the overall attractiveness of the region (Qiting & Kubota, 2011) [8].

3) Government departments should carry out macro-control, relying on the theme park information construction or intelligent product construction of hardware and software-based, and take effective measures to alleviate traffic congestion, environmental pollution, crowded public places around the Shanghai Disney Resort, to create a good business environment for the Shanghai Disney Resort.

## 5. Conclusion

The theme park industry will have long-term growth momentum in the future, and its characteristics, IP, and differentiated operational capabilities will become the key to domestic theme park competition. In the theme park industry, technology supports content and the path of IP implementation. With the rapid development of 5g technology, artificial intelligence, VR, AR, mobile Internet, and other related industries, it is bound to provide more intelligent, intimate, and fast support for the construction of theme parks (Yang, 2019) [14]. When the global economy is under the tremendous impact, public opinion crises in tourist places have inherent peculiarities. The exploration of its root causes in this paper lacks the support of experimental data, which can make up for the lack of relevant research in the future to clarify the root causes of the development of public opinion crises in tourist places. The significance of the reopening of China's Shanghai Disney lies in the reopening of the park itself and the world's stronger confidence in China's economic recovery[15].

## References

- [1] Bao Jigang, Xu Honggang, Li Limei, John Ap.(2001). *The impact of Hong Kong Disneyland on the Pearl River Delta*. *Journal of Tourism* (04), 34-38. (in Chinese)
- [2] Cheung, M., & McCarthy, W. (2019). "Authentically Disney, distinctly Chinese" and faintly American: *The emotional branding of Disneyland in Shanghai*. *Semiotica*, 2019(226), 107-133.
- [3] Cao Yang. (2020). *A study on the impact of the new crown pneumonia epidemic on theme park operations and coping strategies*. (eds) *Proceedings of the 2020 China Tourism Science Annual Conference Epidemic Response* (pp. 219-223). (in Chinese)
- [4] Cumming, J. (2022). *Going hard and early: Aotearoa New Zealand's response to Covid-19*. *Health Economics, Policy and Law*, 17(1), 107-119.
- [5] Fung, A., & Lee, M. (2009). *Localizing a global amusement park: Hong Kong Disneyland*. *Continuum*, 23(2), 197-208.
- [6] *Antimicrobial Resistance Collaborators*. (2022). *Global burden of bacterial antimicrobial resistance in 2019: a systematic analysis*. *The Lancet*. DOI: [https://doi.org/10.1016/S0140-6736\(21\)02724-0](https://doi.org/10.1016/S0140-6736(21)02724-0).
- [7] Pan, Wei. (2010). *Exploring Disney's cultural communication strategy of spherification*. Shanghai Jiaotong University. (in Chinese)
- [8] Qiting, P., Uno, N., & Kubota, Y. (2011). *Kano model analysis of customer needs and satisfaction at the Shanghai Disneyland*. *Graduate School of Management, Kyoto University*, 9.

- [9] Sun han. (2015). *Research on Crisis Management System of Tourist Attractions*. *Statistics and Management* (11), 120-121. (in Chinese)
- [10] Sung, N. C. (2021). *The Glocalization of Shanghai Disneyland*. Routledge.
- [11] Tan, S. Q. & Shao, J. G.. (2016). *The impact of Shanghai Disney project on Shanghai's cultural industry - taking animation industry as an example*. *Science and Technology Economic Market* (04), 203-204. (in Chinese)
- [12] Yao, J. (2017). *Research on marketing strategy: case study of Disneyland*. Retrieved novembre, 28, 2020.
- [13] Yang, W.R.. (2020). *Research on the development path of integration of cultural capital and theme parks: the case of Disneyland*. *Jiangnan Forum* (07), 30-32. (in Chinese)
- [14] Yang W. R.. (2019). *Study on the Competitive Mechanism of Theme Parks in Yangtze River Delta under the Perspective of Higher Quality Integration*. *Jiangnan Forum* (08), 13-15. (in Chinese)
- [15] Zhang Yue & Tao Yuguo. (2019). *A study on the factors influencing theme park visitors' happiness based on rooting theory - Shanghai Disneyland as an example*. *Journal of Jilin College of Commerce and Industry* (02),39-44. (in Chinese)