

Hong Kong's Ocean Park

Learning to live with Disneyland

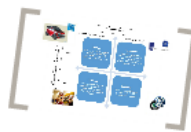


Introduction

- Ocean Park – marine mammal park (amusement / theme park)
- Opened since 1977
- Hong Kong
- Year 2005 - Disneyland (competition)
- Managed to survive, with the strategy of a productive omnipresence

Question 1

Ocean Park has made the decision not to compete head-to-head with Disneyland. Rather, Ocean Park took a strategy of co-existence. Will its strategy always work when local companies face giant multinational competitors?



The strategy for Ocean Park is to focus on the growing experience theme in recreational activities for local residents and attract repeat visitors by using interactive experiences that have been working better.

• How do you think Ocean Park's strategy is important to the global market?

• Is there any other alternative or technology to be taken into account?

Question 2

How does the influx of mainland Chinese tourists resulting from Disneyland affect the tourism industry in Hong Kong?



1. Differentiate

- Innovation
- Distinguish
- Create different experiences

2. Cooperate

- Collaboration
- Special Offers for Clients
- Weekend arrangements
- Both parks can benefit

Ocean Park

- Localized theme
- Localized activities
- Localized marketing

Disneyland

- Globalized theme
- Globalized activities
- Globalized marketing

Keys To Capitalize

- Diversifying strategy
- Ocean Park's park
- Annual pass
- Seasonal offers
- Localized pricing
- Localized marketing
- Localized operations
- Localized services and quality

“Competition makes us Faster; Collaboration makes us Better.”

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SWOT ANALYSIS

Strengths	Weaknesses
Opportunities	Threats

Two strategies

1. Differentiate

- Innovate
- Distinguish
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Two strategies

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Ocean Park

Disneyland

Use: To Capitalize

- Local government
- Special offers
- Local jobs
- Local advertising
- Marketing campaigns for local customers
- Enhance safety and security

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Quest

Ocean Park has man

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The strategy to be taken in order to face the upcoming competition from a multinational competitor relies on elements to be taken into account, according to Ivey's International Business Professors Tony Frost and Niraj Dawar –

- # Are the products / Assets of the company competitive in the global market?
- # How high is the pressure on the company to become global?



Pressures to globalize in the industry

High

Low



Competitive Assets

Customized to home market

Transferable Abroad

Dodger
Focuses on a locally oriented link in the value chain, enters a joint venture, or sells out to a multinational

Contender
Focuses on upgrading capabilities and resources to match multinationals globally, often by keeping to niche markets

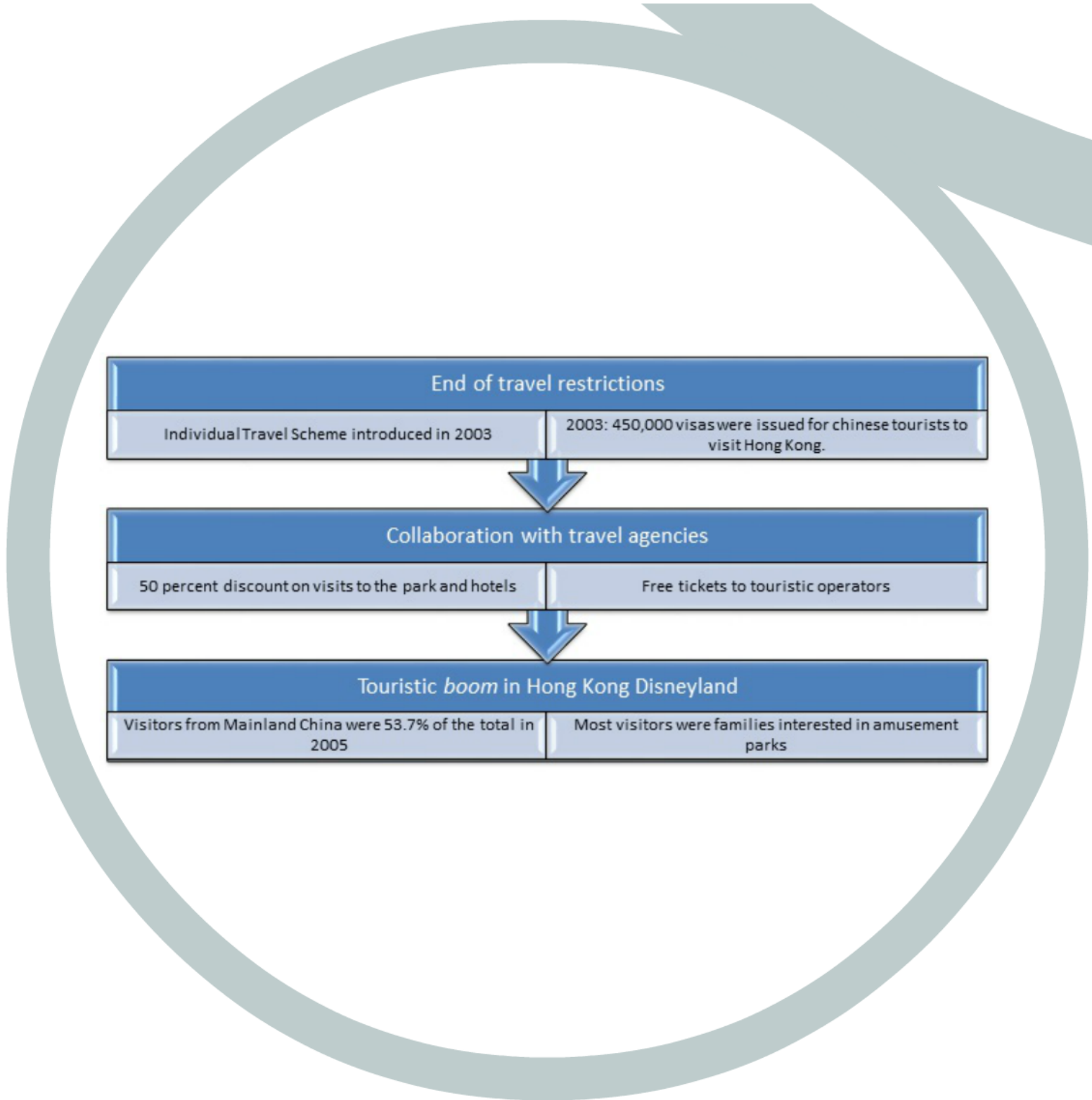
Extender
Focuses on expanding into markets similar to those of the home base, using competencies developed at home

Defender
Focuses on leveraging local assets in market where multinationals are weak



Question 2

How does the *influx* of mainland Chinese tourists resulting from Disneyland affect the tourism industry in Hong Kong?



Question 3

How can Ocean Park further capitalize on Disneyland's pence?

SWOT ANALYSIS

Strengths

- First theme park (30 years of history)
- Good relationship to travel agencies
- Strong business connections
- Wildlife and educational events
- Cheaper prices

Weaknesses

- Lack of financial support
- Lack of space for new rides
- Low number of attractions
- A lot of activities depend on the weather
- Lack of image and branding

Threats

- Short life cycle of fixed-asset attractions
- Disneyland competing for market share
- Economical instability

Opportunities

- Mass transit Railway station
- Improvement of amusement machinery
- Cooperation with Disneyland
- Building new hotels
- Promote brand image and advertising



Ways To Capitalize

- Use of pricing strategy
- 2-park-hooper pass
- Annual pass
- Season pass
- Invest on rebuilding new attractions
- Special events
- Advertising campaigns *for special occasions*
- Focus on safety and security



Question 4

Should Ocean Park intensify or reduce its head-to-head competition with Disneyland?

Ocean Park

- Cultural Heritage
- Wide range of Products
- Price Advantage
- Special Events



Disneyland



- International Reputation
- Location
- Size of the park
- High standard Customer Service

Two strategies

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- Create different experiences



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Two strategies



2. Cooperate

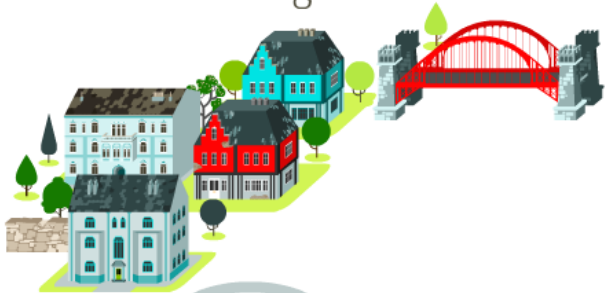
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Disneyland

Steps To Capitalize

- Local government
- Special offers
- Local press
- Local radio
- Local TV
- Local newspapers
- Local magazines
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- Local magazines

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