



RESEARCH PROJECT 2:

Disney Amusement
Park in India

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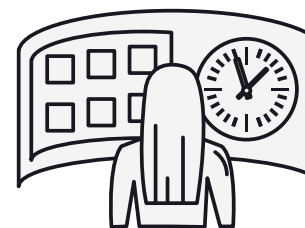
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Resource and Infrastructure Assessment

Labor Force: Availability, Skills, Wage Levels, and Labor Laws

- Labor Force Availability:
 - India has a labor force of over 500 million people.
 - Skilled workers are available in sectors like hospitality, entertainment, engineering, and IT.
 - Urban centers (Mumbai, Delhi, Bangalore) are hubs for specialized skills, with rural areas offering large labor pools.
- Skills:
 - India produces skilled workers in hospitality and entertainment management.
 - Specific training for theme park operations may need to be developed, including ride maintenance, customer service, and live performances.
- Wage Levels:
 - Entry-level workers in hospitality typically earn ₹15,000-₹25,000 (USD 180-300) per month.
 - Skilled workers earn ₹50,000-₹70,000 (USD 600-850) per month.
 - Wage disparity across skill levels should be carefully planned for.
- Labor Laws:
 - India has strict labor laws protecting worker rights, welfare, and safety.
 - Key regulations include the Industrial Disputes Act, Factories Act, and Minimum Wages Act.
 - Compliance with these laws is essential, particularly in industries like hospitality.



Resource and Infrastructure Assessment

Access to Natural Resources and Raw Materials

- Natural Resources:
 - India is rich in resources like coal, minerals, and agricultural products.
 - Availability of land for construction and water for park operations (fountains, landscaping) will be key.
- Raw Materials:
 - India has a steady supply of raw materials necessary for construction (cement, steel, electrical components).
 - The manufacturing sector can support the production of merchandise and consumer goods for the park's retail operations.

Infrastructure: Transportation Systems, Technology, and Communication Networks

- Transportation Systems:
 - Extensive road networks, railways, and metro systems in major cities.
 - International airports in Delhi, Mumbai, and Bengaluru provide easy access for tourists.
 - Growing high-speed rail networks can enhance connectivity between cities and regions.
- Technology:
 - India is a leader in IT and software services, supporting the development of digital infrastructure like apps, customer engagement platforms, and systems for park operations.
 - High internet penetration (700 million users) supports tech-driven experiences in the park.
- Communication Networks:
 - Widespread mobile phone penetration and expanding 4G coverage.
 - Ongoing 5G trials will further improve connectivity and network speed, enhancing digital services.

Resource and Infrastructure Assessment

Distribution Channels and Logistics Capabilities

- Distribution Channels:
 - Efficient distribution networks, especially in major cities, with e-commerce platforms like Amazon India supporting the movement of goods.
 - Facilitates sourcing and delivering retail products, food, beverages, and merchandise to the park.
- Logistics Capabilities:
 - Improvements in logistics infrastructure, including dedicated freight corridors and logistics parks.
 - Major cities have cargo terminals, and smart logistics systems are increasingly adopted for efficient goods movement and real-time tracking.

Conclusion

India offers a compelling environment for establishing a Disney Park, with a large and diverse labor force, access to abundant natural resources, and a rapidly improving infrastructure. Leveraging India's skilled labor, technological capabilities, and logistical networks will provide Disney with the tools to create a world-class theme park. Additionally, the country's transportation networks and mobile communication infrastructure will ensure easy access for visitors and enable seamless digital experiences.



Detailed Country and Regional Analysis

Short-term considerations:

- Immediate economic and political stability, current trade agreements, and attractiveness for FDI.

Economic and Political Stability

- Economy: India is the world's fifth-largest economy and demonstrates resilience with a 6%+ GDP growth rate. Inflation is moderate but requires monitoring for potential supply chain impacts.
- Political Stability: The government under Prime Minister Narendra Modi has promoted business-friendly policies, but bureaucratic hurdles remain in some regions.

Trade Agreements and FDI Attractiveness

- India's bilateral trade agreements (e.g., ASEAN-India FTA) and policies like "Make in India" foster FDI.
- The tourism sector, which includes amusement parks, has tax incentives and supportive infrastructure policies in many states.

Cultural Fit and Immediate Market Demand

- India has a large, family-oriented middle class increasingly spending on entertainment.
- Disney's intellectual properties are popular, providing a strong brand fit for an amusement park.

Detailed Country and Regional Analysis

Mid-term considerations:

- Economic growth trends, changes in regional policies or agreements, and evolving industry potential.

Economic Growth Trends

- India's economy is expected to grow at ~6-7% annually over the next decade, supported by urbanization and digitalization.
- Rising disposable income among the middle class could significantly increase demand for leisure activities.

Regional Policy Shifts

- India's states have varied investment climates. Maharashtra (Mumbai) and Tamil Nadu (Chennai) are leaders in tourism infrastructure and provide specific tax breaks for entertainment ventures.
- Efforts to streamline business processes like; digital permit systems, these may improve FDI ease.

Evolving Industry Potential

- The Indian amusement park market is growing at ~10% CAGR.
- With increasing consumer spending, larger parks offering international experiences are becoming attractive investments.



Detailed Country and Regional Analysis

Long-term considerations:

- Future economic outlook, population trends, and long-term FDI attractiveness.

Future Economic Outlook

- India is projected to be the third-largest economy by 2030. Sustained economic reforms and demographic dividend support this trajectory.
- Challenges like income inequality and infrastructure gaps need to be factored in but may improve over time.

Population Trends

- India's young and growing population (~1.4 billion, median age ~28) promises a robust consumer base for the next few decades.
- Urbanization is accelerating, with ~600 million people expected to live in cities by 2030, driving demand for urban entertainment hubs.

Long-Term FDI Attractiveness

- India's investment climate is likely to remain favorable with continuous improvements in infrastructure, policy, and global integration.
- Disney's focus on sustainability and innovation aligns well with India's goals for sustainable urban and tourism development.

Detailed Country and Regional Analysis

Insights and Recommendations:

Target Regions for Initial Setup

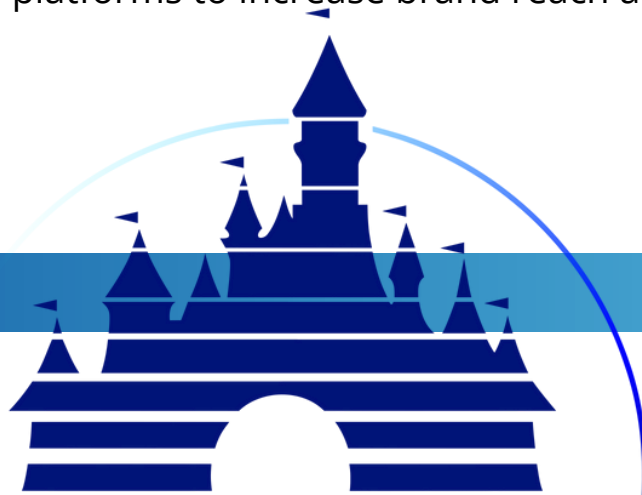
- Mumbai (Maharashtra): Financial capital with established infrastructure and high tourism potential.
- Bengaluru (Karnataka): Tech hub with a high-income demographic and growing family tourism market.
- Delhi NCR: Proximity to the national capital and an extensive consumer base.

Risk Mitigation

- Addressing infrastructure bottlenecks by working with state governments.
- Collaborating with local firms to navigate regulatory landscapes efficiently.

Market Strategy

- Focus on tier-1 and tier-2 cities with growing disposable incomes.
- Leveraging digital platforms to increase brand reach and ticket sales.



Strategic Importance and Future Outlook

Market Size and Potential Growth

- **Current Size:** India's population exceeds 1.4 billion, with a growing middle class of over 400 million. Disposable incomes are rising, leading to greater spending on leisure and entertainment.
- **Growth Potential:** India's GDP is projected to grow at 6-7% annually, indicating a strong economic outlook. The entertainment and amusement park industry is expected to grow at a CAGR of over 10% due to increased urbanization and tourism.

Geographic Location and Regional Significance

- **Geography:** Strategically located in South Asia, India offers easy access to regional markets such as Southeast Asia and the Middle East.
- **Trade Routes:** Proximity to major ports and trade routes supports logistical advantages for merchandise and supplies.
- **Regional Significance:** India's tourism industry is one of the largest in the world, with millions of domestic and international tourists each year, making it a key hub for future regional expansion.

Innovation Potential

- **R&D Capabilities:** India is known for its robust IT and technological sectors, offering opportunities for innovative park technologies and customer experiences.
- **Technology Adoption:** High smartphone penetration and increasing internet access provide opportunities for digital marketing, app integration for park experiences, and AI-driven customer insights.

Strategic Importance and Future Outlook

Long-Term FDI Attractiveness and Economic Outlook

- **FDI Policies:** India has liberalized its FDI policies, especially in the entertainment and tourism sectors, making it easier for foreign companies to invest.
- **Economic Outlook:** Favorable demographics, rising consumer spending, and government support for tourism infrastructure ensure long-term economic stability and growth.

Entry Strategy Recommendations

Short-Term Strategy (0-2 Years)

- **Mode of Entry:** Strategic Alliance or Joint Venture
 - **Justification:** Partnering with a local company (e.g., Indian entertainment or real estate firms) helps navigate regulatory frameworks, gain local market insights, and overcome the "liability of being foreign."
 - **Considerations:** Identify partners with strong local networks, experience in large-scale projects, and complementary business models.
 - **Marketing:** Focus on building brand awareness through social media, partnerships with local influencers, and cultural events.

Mid-Term Strategy (2-5 Years)

- **Mode of Entry:** Expand Operations and Establish a Wholly-Owned Subsidiary
 - **Justification:** Once market understanding and brand loyalty are established, Disney can gain full control over operations, ensuring brand consistency and long-term profitability.
 - **Location:** Focus on metropolitan areas like Mumbai, Delhi, and Bangalore, which have higher disposable incomes and strong tourism industries.
 - **Innovation:** Introduce localized attractions and digital engagement strategies (e.g., AR/VR experiences) to enhance customer experience.

Strategic Importance and Future Outlook

Long-Term Strategy (5+ Years)

- Mode of Entry: Expand Regional Presence and Diversify Offerings
 - Justification: Leverage India as a hub for regional expansion into Southeast Asia and the Middle East. Diversify offerings with resort hotels, themed retail, and cultural festivals.
 - Key Considerations: Continue leveraging technological innovations and strong brand positioning to remain competitive. Foster ongoing government and community relations to ensure long-term operational success.

Conclusion and Recommendation

India presents a compelling opportunity for Disney to establish a significant presence due to its large, growing market, favorable economic conditions, and increasing demand for leisure and entertainment. The recommended phased entry strategy—starting with a joint venture, transitioning to a wholly-owned subsidiary, and eventually expanding regionally—balances risk and reward while ensuring sustainable growth. By aligning with trusted local partners and investing in localized marketing and innovation, Disney can overcome the liability of foreignness and create a strong foothold in India's vibrant market.

Links

- <https://data.worldbank.org/indicator/SL.TLF.TOTL.IN?locations=IN>
- <https://nsdcindia.org/>
- <https://www.payscale.com/research/IN/Country=India/Salary>
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