

Analyses of Shanghai Disneyland IP localization Strategy And Its Risks from the Perspective of Lina Bell- Based on SWOT Analysis Method

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Abstract. 'Lina Bell' is a new IP image that was exposed by Shanghai Disney in September 2021. From 'new role' to 'online celebrity with a huge fan base' in just one month, its popularity overwhelmed other famous Disney IPs, and the price of its doll has skyrocketed. However, in early December 2021, 'Lina Bell' was stuck in a 'image crisis', and there are still risks behind Disney's IP operation. This paper analyses Disney's IP localization strategy through a SWOT method and proposes possible countermeasures to address the potential risks. The study finds that the history of Disney's Duffy family is the epitome of Disney's IP localization strategy, and that Lina Bell is the best product of the IP localization strategy; Disney's strengths are its rich experience in IP operation and complete industry chain, while its weaknesses are mainly the lack of a true understanding of the target market's culture; the external opportunities for Disney are the huge potential of the target market and the fact that Disney IP is in line with the pop culture trends of the target market, while the external threats are mainly public opinion and competition from similar products. This paper suggests that Disney should strengthen its research into the culture of its target markets and truly understand the local cultural habits; strengthen the training of its staff; standardize the behaviour of each staff member in line with the brand's mission and increase the local core competencies of the Disney IP.

Keywords: Disney, IP operation, localization, risk management

1. Introduction

Disney's first original IP image, Mickey Mouse, was born in 1928, and the company has since gone on to release more and more beloved animated films, to create its own original IP image. More than just keeping its own IP, Disney acquired Pixar Film for \$7.4 billion in 2006, Marvel Studios for \$4.24 billion in 2009, and Lucas Film for \$4.05 billion in 2012, thus forming Disney's IP empire [1]. 29 September 2021, Lina Bell was exposed at Shanghai Disney. Disney officially explained that the original IP Duffy stumbled upon Lina Bell, a pink fox, after getting lost in the forest. Using the traces on Duffy's body as a clue, she eventually helps him find his way home, and thus becomes his best friend. Of the official setting, Lina Bell has big brilliant blue eyes and a big fluffy fox tail. She is a little adventurer, a nature lover; she is a clever, observant detective with a passion for solving mysteries, looking around the forest with a magnifying glass; she is bright and cheerful in disposition and loves to make friends.

2. Foreign Disneyland IP localization development history

As of now, there are six Disneyland parks around the world. In order of opening time they are California Disneyland, Orlando Disneyland, Tokyo Disneyland, Disneyland Paris, Hong Kong Disneyland and Shanghai Disneyland [2]. The Disney Company, which has many popular IPs, does not only have the iconic Mickey family and Disney princesses in its resorts, and actually the hottest IP in the last two years is the Duffy family, which is not supported by a series of movie stories. The development of the Duffy family is in fact a microcosm of the localization strategy of foreign Disneyland IP.

2.1 The Disney Bear Duffy

Duffy, the soul role of the Duffy family, first appeared at Orlando Disneyland in the USA, but with no name and no story, the bear was sold as a mere doll and was not well welcome in Orlando. It was Tokyo Disneyland that really took it to the next level and made it a popular original IP. Tokyo Disney thought there would be a huge market for the bear in Japan, where the '2-D Culture' and 'Kawaii Culture' are prevalent and the teddy bear doll market is booming, so they gave the bear the name 'Duffy' and packaged it with a new story - Duffy is a teddy bear made by Minnie herself and given to Mickey on his voyage as a companion, so the most common costume for Duffy's bear is also a sailor suit, in accord with the Tokyo Disney marine theme as well as the Japanese school uniform, which fits the Japanese market's niche. Later, with the help of the Wonder Fairy, Duffy came to life and changed from an 'it' to a 'he', and when Minnie learned of this, she made another pink bear doll by hand, Shellie May, and they became good friends. In 2014 Gelatoni, a cat painter, debuted and in 2017 Stella Lou came, a rabbit who dreams of becoming a dancer - they are all Duffy's friends. In fact, Duffy Bear's popularity at Tokyo Disney far surpassed that of the Mickey family, but when this product returned to the United States from Japan, Duffy remained unpopular with American consumers, and in the United States, where Disney originated, it was considered that 'characters without a film or story to back them up are soulless', and in 2015 Orlando Disneyland ended Duffy's show and its associated merchandise were withdrawn from sale. There are many reasons for Duffy's success in Japan, the main one being that Tokyo Disney did enough research and totally understood the features of the Japanese market and they localized Orlando's Disney Bear into Tokyo's 'Duffy Bear', taking advantage of the popular '2-D culture', 'limited edition merchandise culture' to capture the Japanese market.

2.2 The Unique Style of Olu Mel

Among the furry and adorable Duffy family, one little turtle stands out, with a commonplace appearance, no fluff, no tail, no eyelashes - Olu Mel (nickname: Olu). Born at Disney's Aulani Resort in Hawaii, Olu Mel is a multi-talented, music-loving turtle who became Duffy's good friend when he composed beautiful music on his ukulele for Shellie May on her birthday. As the only original doll of the Duffy family which debuted in the United States, Ole Mel's image is also a mark of Hawaiian localization of the Duffy family IP. The '2-D culture' and 'cute and childlike culture' are not popular in the United States, and it is generally considered unhealthy for adults to be overly obsessed with these subcultures, as the furry appearance will remind them of children, so in when choosing the image of 'Olu Mel', the American designers eschewed the traditional furry look of the doll and opted for an a turtle and a musical instrument, the ukulele, in keeping with the positioning of the romantic island of Hawaii. Separated by a whole Pacific Ocean, Asia and North America also seem to be separated by a Pacific Ocean in terms of aesthetics. Olu Mel, who is also settled at Shanghai Disneyland and Tokyo Disneyland, does not have the same level of popularity as the other members of the Duffy family, always appearing in piles during the flower parade, with almost zero sense of presence, which is basically an embarrassing image - 'a doll that always fails to sell, and can only be given away as a lagniappe of a party but is still disliked.

2.3 The Birth of Lina Bell

2021 was actually a year of IP crisis for Disney. On the film front, hit by the global epidemic, coupled with boycotts in some markets, the once dominant Disney suffered a Waterloo on its IP films, with Black Widow's ratings slipping, the public opinion that Shang-Chi's insult to China, and the closure of the six Disneyland parks around the world. Shanghai Disneyland, although less affected by the epidemic, has also been challenged in the Chinese market by the local Chinese parks and the opening of Beijing Universal Studios. The IP of Harry Potter and the IP of Transformers are clearly no less popular in China than the Disney Princesses and Mickey Mouse family. It is therefore necessary for Disney to launch a new IP dedicated to Shanghai Disneyland and to the Chinese market at this time.

During the incubation stage, Disney gave the little fox, born in Shanghai Disneyland, the persona of 'the own daughter of Shanghai people', and the Chinese designers chose to portray an image of an animal not found in the Duffy family - fox, in traditional Chinese culture, there being countless legends and stories about foxes. After the launch of the image, lots of netizens directly called Lina Bell 'Chuansha Daji', which in itself has a cultural connotation that makes Lina Bell more accessible and close to Chinese culture, making it easier for Chinese consumers to feel easier to understand her. Johnson once suggests that a consumer likes a product because he believes it will bring him greater value than similar products. What exactly is the differentiating the value of a plush toy that has no story and no independent movie from that of the other big IPs?



Figure 1 Lina Bell

This inherent disadvantage of 'no story' has become the biggest advantage of Lina Bell, who has broken the ordinary image of 'the cute, brave fox who loves to explore and solve mysteries' and positioned herself as the 'Shanghai people's own daughter'. The staff who played the role of Lina Bell will shyly cover their faces when they hear the Shanghai local dialect word 'Guai Nan', which means 'darling girl' in English, and will decisively draw her sword from its sheath when they encounter impolite visitors. Once the persona of Lina Bell is embedded in people's brains, consumers are naturally more likely to 'get into the play' and have spontaneously created 'secondary development stories' for Lina Bell, with a variety of Lina Bell memes becoming popular on the internet. As a well-known proverb goes: 'there are a thousand Hamlets in a thousand people's eyes'. As long as the enthusiasm of secondary creation of the netizens continues, the different images of Lina Belle will continue to be created and the story of Lina Bell will never end, making it difficult for this IP to expire in a short period of time.

Robert Iger, the current CEO of The Walt Disney Company, said that they have been trying to dilute the American culture label of Disney and that they want Shanghai Disneyland to be 'China's Disneyland Park', not 'Disney's Disneyland Park', which means that it is obviously a Disneyland Park, but it is built specifically for Chinese people, and Lina Belle is Shanghai Disney's local IP for the Chinese people [2].

3. Method

SWOT(strengths, weaknesses, opportunities, and threats) analysis is a framework used to evaluate a company's competitive position and to develop strategic planning. SWOT analysis assesses internal and external factors, as well as current and future potential.

Strengths describe what an organization excels at and what separates it from the competition. Weaknesses stop an organization from performing at its optimum level. They are areas where the business needs to improve to remain competitive. Opportunities refer to favorable external factors that could give an organization a competitive advantage. Threats refer to factors that have the potential to harm an organization.

4. Results and discussion

4.1 Analyses of Disney IP Advantages

4.1.1 A Rich Experience Of IP Operations

Someone once said that the creative industry is about building love from stories and then exchanging that love for money. But Disney is trying to directly exchange love for money without the process of creating the story. 1.0 period of Disney's IP operation is to shape a character with a distinct personality, such as the steadfast, brave and self-reliant Simba - the Lion King, which is to convey Disney's values to the audience by telling a full-bodied story with a character corresponding to a specific personality and image, which helped dig the deeper experiences behind the character and make consumers resonate with the role and identify with the IP. In 2.0 period, Disney's creation work is still content-driven, but the focus of content has changed from story to character. This is the impact of the 'Z Generation' and 'Internet Age' on Disney. Although it started from telling people a fairy tale, the birth of the Duffy family epitomizes the de-film trend of Disney's IPs. Surrounding the main mission of Disney that 'to provide joy and entertainment to the world', Disney does not limit the IP creation to a specific story, while Disney really brings life to its IPs [3]. Disney offers the chances of 'create a story oneself' to the consumers and makes the stories created by consumers matched with various scenarios [4]. The consumers enjoy the creation by themselves and Disney has turned the happiness of creation into a commodity and sold it to consumers. As long as consumers' creative needs doesn't fade away, the demand for products won't diminish easily.

4.1.2 The Advantages of A Complete Industry Chain

In addition to its rich experience in IP creation and IP operation, Disney itself has a complete industry chain, with TV channels, streaming media, publishing houses, theme parks, cultural and creative industry, and cooperation with the food and beverage industry [5]... When the IP is produced, Disney profits from the advantages of its complete industry chain and brand effect to popularize the IP through all-round promotion, from the sale of related IP dolls, keychains and hairbands in Disneyland park's small shops to clothing with related IP images or food inspired jointly-designed with some IP image, such as Mid-Autumn Mooncakes, Dragon Boat Festival Zongzi and etc., which help promote the localization of Disney IP by deepening the impression of IP merchandise in all aspects.

4.2 Analyses of Disney IP Advantages

4.2.1 Over-reliance on the Role-players

Because there is no real film story dedicated to them, the Duffy families such as Lina Bell need to rely on the interaction of their role-players with visitors to build a connection with consumers. The Mickey Mouse family and the Disney Princess have their own representative movies, and even though Disney has not put out new works for several years, or there have been some people who have never been to Disneyland, the Mickey Mouse films and the Disney Princess series are the common

memories shared by the generations of the 20th century [6]. However, if one day consumers' enthusiasm of the Duffy Family IP which lacks a backstory that can be widely disseminated, fade gradually, the Duffy Family will disappear.

4.2.2 Lack of A True Understanding of Chinese Culture

Among the IPs created by Disney for the China's market, from Mulan to Shang-Chi, they have always received poor reviews in the local Chinese market. Disney is facing a situation of a kind of thankless effort, while the root of the problem is that actually Disney lacks a true understanding of Chinese culture connotations. The fact that the film is just superficially made up of traditional Chinese elements, but is essentially still filled with Western stereotypes of China, has caused discomfort to the target group.

4.3 Analyses of Disney IP Opportunities

4.3.1 The Rise of Idol Culture And the Popularity of Virtual Idols

The year 2018 has been called as 'the First Year of the Idol Culture', with 'Idol Trainee' and 'Produce 101' making singing and dancing idols and celebrity-maniac culture prevalent. China has totally entered the crazy era of chasing star. Whereas in the past, the Mickey Mouse family and Disney princesses were like real power faction actors who captivated audiences with their representative works. Nowadays, the Duffy family, led by Lina Bell and Stella Lou, has become a supply station tailored to people's emotional needs. They don't need stories or movies to back them up. Instead, they rely on fan economy to realize their cashability. Their debut is based on short videos and ID cards, and their daily singing, dancing, performing at Disneyland and their interacting with visitors are their representative works. Then, their fans beg to purchase their peripheral product at high cost all over the world. And, during a period full of scandals of the entertainment industry and 'idol disqualification', Z Generation, growing up in the internet environment, is gradually accepting 'virtual idols' without the risk of scandals. For example, the virtual idol 'Ling', which debuted in 2020 in China, has already entered into deep cooperation with 'Tesla' and 'Nayuki'. From consumers to entrepreneurs, no matter who they are, they are all submitting to this trend, so it's a good time for Disney to launch a local IP exclusive to Shanghai Disneyland Park.

4.3.2 The Huge Potential of China Market

The first quarter of the fiscal year 2020 earnings report shows that Disney's current liabilities are around US\$35 billion, of which long-term loans payable due within one year are around US\$10 billion and the loan up to around US\$38 billion. The theme parks and resorts are Disney's main source of revenue, however, in the early stage of epidemic, overseas Disneyland was seriously affected by the epidemic and had been closed for several times, with reference to 2017 when the Disneyland Park in Florida lost US\$100 million due to a two-day hurricane shutdown, i.e. Disney would lost US\$50 million for every day when it was closed. China, a region with better epidemic prevention work, is naturally characterized by a large population and a rapidly developing entertainment industry, and the enactment of the 'two-child' and 'three-child' policies has also stimulated the demand for theme parks [7]. If Disney can capture the new generation of children's preference for Disney IP, and make Disney penetrate into the lives of the new generation of children through telling the Disney stories, it will be conducive to the development of localized Disney IPs.

4.4 Analyses of Disney IP Threats

4.4.1 The Influence of the Internet on Public Opinion

Just as the internet was the way to make Lina Bell popular, in early December 2021, Lina Bell was exposed as having a image crisis through the Internet [8]. The high popularity of Lina Bell brought a higher flow of people to Shanghai Disneyland Park, Lina Bell played every minute with some people who specially queued for three hours just for the chance to interact with Lina Bell on their birthday

for asking for blessings, while the Lina Bell responded to them with a bad attitude, during the 30-second interaction, Lina Bell flew her kiss to the ground and stepped on it. Many netizens said that Lina Bell has put on airs after she got hot, her attitude was too different from the that of Tokyo Disneyland staffs and etc. However Shanghai Disneyland Park has not responded officially to this scandal.

4.4.2 The Competition from Similar Products

Apart from China's local theme parks - FANTAWILD, Happy Valley and so on, the arrival of another global theme park - Beijing Universal Studios, is also a shock to the Disneyland park in the Chinese local market. Universal Studios has a huge fan base of the Harry Potter IP, and all those who grew up with the Harry Potter film series dream of visiting the Harry Potter theme park. More importantly, this year Beijing Universal Studios has exposed a character called 'Chatty Megatron'. The villain's image and chattering personality have made this character Weibo become the top trending searches for several times, attracting huge foot traffic for the opening of Universal Studios. The year 2018, also called 'The First Year of the Chinese Elements Tide', brought creative cultural products to a new peak, with the Hong Kong-listed 'POP MART' representing the de-film trend. Their blind box culture is one of the most popular entertainment products in China [9]. The company has become a trendsetting toy leader with its many outstanding blind box IPs, and has been described by the media as a 'Money Maker' like Disney.



Figure 2 POP MART

4.4.3 Prevalence of Traditional Culture

Science and technology seem to have broken down the barriers between different cultures and countries for creating a 'global culture', but the reality is opposite: people are becoming more respectful and appreciative of their own culture and identity, the interest in and acceptance of local culture continuing to rise among young people worldwide, such as the new generation of Chinese youth known as Z Generation, who have grown up in a period of rapid growth of China's overall power and have become closer to the country's traditional culture. This phenomenon puts a lot of pressure on Disney as a global storyteller, but Disney considers a diverse collection of cultures as a counterweight to the challenge. The trend towards 'localism' appears to be at odds with Disney's philosophy of 'global storyteller', so Disney has deliberately avoided addressing the relationship between countries, instead they localizing global stories and finding new ways to tell stories, to bring Disney closer to people originated from different places, and to tell local stories for local audiences. Walt Disney was once asked what he was telling stories for. For adults with children? For helping children and parents watch movies together? He said neither. He tells stories for touching the special place in everyone's heart, which can reach deeply into the soul. And whether Disney Company can touch people's heart in the progress of localization and can make their target consumers resonate with the traditional culture is the key.

5. Conclusion

To sum up, Disney should take advantage of the company's rich experience in IP operations and complete industry chains, coupled with a deeper understanding of the cultural habits and public mentality of the Chinese market, profiting from the popular trends of the target market to meet various challenges and problems and to make up for its previous shortcomings.

5.1 Deep Understanding of the Local Culture of the Target Market

In order to avoid Disney's subsequent productions repeating the failures of Mulan and Shang-Chi, Disney must put aside its arrogant Western stereotype on Chinese culture. Before proceeding with its localization strategy, Disney should conduct detailed research and studies on Chinese culture, gain an in-depth understanding of how the Chinese people think, truly comprehend the local cultural habits and public mentality. Then Disney should differentiate itself around this target market when marketing their productions. To be further attuned to the target market, Disney should conduct timely researches on the feedback of the target group to reduce conflicts caused by cultural differences, so that the unity of Disney elements and the spirit of traditional Chinese culture can be realized.

5.2 Improving the Quality of Staff Through Staff Training

Disney's mission is to 'create joy and entertainment and provide them to the world'. The image crisis of Lina Bell was due to the fact that the staff did not have a deep understanding of Disney's corporate culture and brand mission. Disney should provide comprehensive and unified brand culture training to all staffs when they are recruited to make them highly qualified [10], so that they can further grasp Disney's concept of polite hospitality to spread the joy to visitors in order to build Disney's IP empire.

5.3 Enhancing the Core Competitiveness of Disney IPs

In recent years, there have been more and more theme parks in China, and a large number of related creative cultural products have been launched, and the pressure on Disney to compete with similar products is increasing. In fact, Disney, as the world's largest IP empire, has a far greater number of marketable IPs than any other theme park. Disney can identify the most popular IPs in China market through user portrait and other techniques, and package them in a China style in its peripheral creations, fully integrating local elements into the products. In Disneyland parks, Disney could set up a small park with Chinese elements, including Chinese architecture and traditional Chinese culture, such as the Chinese Zodiac, Chinese shadow puppets and Chinese chess. In interactive shows or flower parades, Chinese elements could be showed, where the performance could take the form of dragon and lion dances, or even co-branding with big Chinese IPs such as Journey to the West. In addition, it is also possible that Disney could work with Chinese stars to promote their IPs and use the fan economy to enhance Disney's core competencies [11].

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