

## Disruptive innovation or tomb of global theme park ; Korean cases

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### 1. Decades of stranded project

Huge land is derelict more than 15 years near capital of South Korea after Paramount signed MOU with Incheon metropolitan government since 2007. Korean major corporations including KT(Korea Telecom) announced to participate in the project that they build Paramount Movie Korea together.

But that's not the only project that's neglected around Korea. MGM at Youngjong Island, Universal Studio at Hwasung city, Fox movie park at Kyungnam Province, and another MGM studio at Busan city failed to dig in the ground with the first shovel. Those global theme park companies rather moved their project spots to China, Japan, Hong Kong, and Singapore for past decades. World largest Universal Studio opened in Beijing city of China and Disney Land opened in Tokyo city of Japan.



Figure 1 Neglected land for global theme park in Incheon, Korea

Why these founders occur only in Korean peninsula between many asian countries? Korea is so called “MOU” countries at global theme park industry.

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Global entrepreneurs feel great curiosity about Korean projects but they issued MOU or MOA then turn their backs on Korea.

## 2. China and Japan cases

China constructed many theme parks with their own technology and investment before global theme park entrepreneurs landing in China. Fantawild group based on Shenzhen opened more than 14 theme park in China and had more than 40 related subsidiary companies like entertainment technology and content business. Real estate conglomerate Wanda Group is increasing number of theme park in China at 2<sup>nd</sup> grade cities like Guangzhou, Qingdao, Wuhan, and Nanchang.(Choi et al, 2020)

Overseas chinese company OCT has its theme park brand Happy Valley. Happy Valley boosts more than 8 grand theme park in Beijing, Shenzhen, Shanghai, and Qingdu. Chinese theme park market is rapidly growing to world second largest entity according to IAAPA data.(IAAPA, 2016, Figure 1) China has three biggest theme park between Top 10 world theme parks. China built more than 3,000 small and large theme parks during past 3 decades. Though 80% of them were merged and acquired to other companies, still major groups like Wanda and Fantawild are reshuffling chinese theme park industry.

RANK	GROUP NAME	CHANGE %	ATTENDANCE 2016	ATTENDANCE 2015
1	WALT DISNEY ATTRACTIONS	1.8%	140,403,000	137,902,000
2	MERLIN ENTERTAINMENTS GROUP	1.2%	61,200,000	60,500,000
3	UNIVERSAL PARKS AND RESORTS	5.5%	47,356,000	44,884,000
4	OCT PARKS CHINA	11.9%	32,270,000	28,830,000
5	FANTAWILD	37.0%	31,639,000	23,093,000
6	SIX FLAGS INC.	5.4%	30,108,000	28,557,000
7	CHIMELONG GROUP	16.0%	27,362,000	23,587,000
8	CEDARFAIRE ENTERTAINMENT COMPANY	2.7%	25,104,000	24,448,000
9	SEAWORLD PARKS & ENTERTAINMENT	-2.1%	22,000,000	22,471,000
10	PARQUES REUNIDOS	-6.0%	20,825,000	22,154,000
TOP 10 TOTAL ATTENDANCE 2016			438,267,000	416,426,000
TOP 10 ATTENDANCE GROWTH 2015-16			4.3%	438,267,000

Figure 2 World Top 10 Theme Park  
(IAAPA White Paper, 2016)

Universal Studio Japan recorded 33 millions attendance in 2016 and Disney See Tokyo attracted over 13 million tourists. Theme park industries of Japan experienced 11 bankruptcies before 2000. Let those failures to be a lesson Japan theme park industries is collaborating with game, animation, and movie companies. National and local government entities also strongly fostering theme park business as new growth industry. Opening three new Casinos in Japan is result of these efforts.

### **3. Korea has long way to go**

South Korea is losing presence between China and Japan or human wave attack strategy of China and convergence strategy of Japan. Without serious business differentiation, investment, and strategy, Korea has possibility of fallen into tomb of global theme park. Theme park is not simple amusement park. It requires convergence of game, animation, cartoon, movie, and culture. It combines experiences, characters, stories, and technologies with all that elements above mentioned.(Kwon, 2019)

Korean government and industry have tendency to equate theme park with amusement park. China already experienced similar failures confusing theme and amusement park for past 30 years. Simple-minded focusing on amusement riding facilities lead to lacking of competitiveness in global theme park business. Chinese theme park business are heading to generate high added value combine cultures and consumer experiences.

Chinese and Japanese government entities tried to invest quarter amount of total invest budgets that are required to built theme park. And they consider these investments as opportunity of changing city competitiveness. Hong Kong government invested 32 billion dollars of total 141 billion dollars to construct Disney Land Hong Kong with extra budget of making new transportation infrastructure. Osaka city of Japan established new industry policy and regulation for supporting Universal Studio Osaka.

But Korean government entities only enjoyed political formality or administrivials. Korea government entities have to change their attitude not just to simple investor or MOU signer but to sincere partner. Remaining at simple investor after sign MOU leads to tomb of global theme park industry.

### **4. A flash of hope**

Wave Park, world largest man-made surfing park opened in 2020 at Siheung City of Korea. Collaborating Spanish technology<sup>2</sup> and Korean

investor<sup>3</sup>, Wave Park boosts its size and high-tech facilities. Spain, Britain, Australia, and USA have man-made surfing spots also. (Choi, 2020)

But Wave Park project is first visible masterpiece output of Korean local metropolitan governments. Kyunggi Province and Siheung City combined Korean investor and global technology companies. Government entities fully supported the construction, managing, and operating. They changed and made new policy and regulation. They benchmarked world's leading theme park cases. After running and analyzing Wave Park, they will branch out into another global project. Universal Studio is again waiting for start in Hwasung City with Shinsegae Group.

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2 Wave Garden, <http://www.wavegarden.com>

3 Daewon Plus Group, <http://www.daewonplus.co.kr>