

Disney downsizes and closes 20 percent of shops around the world

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Disney is one of the world's largest licensing companies. But sales at its merchandise licensing and retail business fell 7 percent last year. (Photo: David Paul Morris/Bloomberg)

Los Angeles, March 4 (RHC)-- Walt Disney Co. plans to close more than 60 of its North American Disney stores, eliminating roughly 20% of its global footprint, as it focuses more on e-commerce.

The company has about 300 Disney stores now, a number that has shrunk dramatically over the years as the world's largest entertainment company experimented with different ways to get its merchandise to fans.

As part of a push to rely less on its own brick-and-mortar shops, Disney has made its website more consumer-friendly and opened boutiques within other retailers. Including stores in its theme parks and those owned by others, the company has about 600 retail locations globally. Disney is also evaluating the shutdown of European stores as it rethinks its retail strategy.

"While consumer behavior has shifted toward online shopping, the global pandemic has changed what consumers expect from a retailer," Stephanie Young, president of Disney's consumer products, games and publishing unit, said in a statement.

Disney is one of the world's largest licensing companies. But sales at its merchandise licensing and retail business fell 7% last year to \$4.18 billion, in large part due to store closures related to the pandemic.

The Disney chain debuted in 1987, and the stores were once a staple of U.S. shopping malls. At one point, Disney sold its North American locations to the Children's Place Retail Stores Inc., a kid-focused retailer, before taking them back after the business suffered financial problems. More recently, it added new features to some locations, such as live broadcasts of parades from Disney parks. The company didn't say how many jobs would be impacted.

Disney shares were little changed in extended trading after the announcement. They fell less than 1% to \$192.26 at the close Wednesday in New York.

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