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Disney's Retail Plan Is a Theme Park in Its Stores

By BROOKS BARNES Published: October 12, 2009

LOS ANGELES — The Walt Disney Company, with the help of Steven P. Jobs and his retailing team at Apple, intends to drastically overhaul its approach to the shopping mall.

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Stephanie Diani for The New York Times Jim Fielding, president of Disney Stores Worldwide, leading a tour, says, "It's time to take risks."

At a time when many retailers are still cutting back or approaching strategic shifts with extreme caution, Disney is going the other way, getting more aggressive and putting into motion an expensive and ambitious floor-to-ceiling reboot of its 340 stores in the United States and Europe — as well as opening new ones, including a potential flagship in Times Square.

Disney Stores, which the media giant is considering rebranding Imagination Park, will become more akin to cozy entertainment hubs. The chain's traditional approach of displaying row after row of toys and apparel geared to Disney franchises will be given a high-tech makeover and incorporated into a new array of recreational activities. The goal is to make children clamor to visit the stores and stay longer, perhaps bolstering sales as a result. Over the next five years, analysts estimate that Disney will spend about \$1 million a store to redecorate, reorganize and install interactive technology.

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"The world does not need another place to sell Disney merchandise — this only works if it's an experience," said Jim Fielding, president of Disney Stores Worldwide. The company plans to unveil the new look in May in Southern California, Long Island and Madrid, and is close to signing a lease for that Times Square flagship.

Theaters will allow children to watch film clips of their own selection, participate in karaoke contests or chat live with Disney Channel stars via satellite. Computer chips embedded in packaging will activate hidden features. Walk by a "magic mirror" while holding a Princess tiara, for instance, and Cinderella might appear and say something to

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It's your birthday? With the push of a button, eight 13-foot-tall Lucite trees will crackle with video-projected fireworks and sound. There will be a scent component; if a clip from Disney's coming "A Christmas Carol" is playing in the theater, the whole store might suddenly be made to smell like a Christmas tree.

The makeover happened only after much internal debate at the company. Indeed, some Disney board members fretted that the concept was so lavish that parents would try to use the stores as day care centers. Others worried that people would come for the entertainment but not buy anything.

"It's time to take risks," Mr. Fielding said he told them. "When consumers are ready to spend again, we will be ready."

The involvement of Mr. Jobs, the Apple chief executive who joined the Disney board with the 2006 acquisition of Pixar, is particularly notable. For the first time, Mr. Jobs's fingerprints can be seen on Disney strategy, in the same way that he influenced the look and feel of Apple's own immensely popular retail chain. While Mr. Jobs did not personally toil on the Imagination Park concept, he pushed Disney to move far past a refurbishment.

"Dream bigger — that was Steve's message," said Andy Mooney, chairman of Disney Consumer Products.

Mr. Jobs provided access to proprietary information about the development and operation of Apple's highly successful stores, and Disney executives visited Apple's research operation in Cupertino, Calif. Mr. Jobs, who declined to comment, also insisted that Disney build a prototype store to work out kinks, a costly endeavor that most retailers skip.

The company followed his advice, working for the last year on a full-scale, fully stocked store inside an unmarked warehouse in Glendale, Calif. The prototype was crucial to shaping an overall philosophy, Mr. Fielding said, noting that he discovered the shops needed more "Pixar-esque winks and nods." To that end, one sales area is now labeled "WWTD: What Would Tinker Bell Do?"

Disney will adopt Apple touches like mobile checkout (employees will carry miniature receipt printers in their aprons) and the emphasis on community (Disney's theater idea is an extension of Apple's lecture spaces). The focus on interactivity — parents will be able to book a Disney Cruise on touch-screen kiosks while their children play — reflects an Apple hallmark. Employees can use iPhones to control those high-tech trees.

Disney is a merchandising titan whose licensed consumer products generated \$30 billion in global sales last year, up from \$12 billion when Mr. Mooney joined the company a decade ago. But Apple is king of the mall. Its fleet of stores generated sales of about \$4,700 a square foot in 2008, by far the highest for any retail chain, said Charlie Wolf, an analyst at Needham & Company. In comparison, [Best Buy's](#) sales are about \$1,000 a square foot.

A version of this article appeared in print on October 13, 2009, on page A1 of the New York edition.

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