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# Analysis of the Global Amusement Park Industry

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<p>The objective of this thesis is to analyse and compare the dimensions and practices that have shaped the current global theme park industry. This thesis compares the biggest amusement parks in North America, Latin America, Europe, and Asia based on data from the International Association of Amusement Parks and Attractions (IAAPA) and other topic related publications. This research shows the impacts of the attractions industry on a global and regional level, makes past-present comparison, and future estimates and suggestions. Also, an analysis is made about the reasons that lead to Amusement Parks failure or success.</p> <p>The reader is first introduced to the characteristics of the global theme park industry, following a historical review of the evolution of theme parks, and then continuing with a comparison by geographical locations. As a conclusion, the constant growth of the global theme/amusement park industry is influenced by innovations and development of new products and guest experiences, as well as external variables that the parks do not have any control over, such as competitor strategies, weather, economic situation, and government regulations. It is worth to mention that the amusement/theme park industry has created a large environment of social, economic, and political impacts ranging from location planning, historic preservation, building architecture, and landscaping.</p> <p>Each and every geographical region is experiencing different numbers of attendance, with Latin America having the lowest number of yearly visitors (31 million), compared to North</p>	

America (388 million), or Asia/Pacific area (418 million). Per capita spending, however, is depicted as highest in North America (54\$), followed by Europe (37\$), Asia/Pacific (30\$), and Latin America (11\$). Regarding the total spending, North America is ranked first (21 billion), followed by Asia/Pacific (12 billion), Europe (6 billion), and Latin America (340 million). Lastly, it is worth to mention that specifically in North America, the amusement/attractions industry sustains more employment than other key economic sectors, with an outstanding number of 1.2 million people being employed directly or indirectly.

In conclusion, a SWOT analysis has been made in order to identify crucial factors that influence the amusement industry both internally and externally. The core strength of the industry is that there are very high barriers to enter the market, which limits the competition. Biggest weakness is the weather dependency that most of the parks face, and technology is seen at the biggest opportunity (introducing new kinds of thrill rides/ VR). Lack of competitiveness and innovation was identified as the main threat, and one of the main factors that parks fail. According to Milman (2001) and Swarbrooke (2002), some key success factors for parks are the variety of attractions, unique product/service, and continuous innovation. However, the writer has added two more factors: quality & safety, and weather independency.

Keywords

Amusement Park, Theme Park, Amusement Industry, Attractions Industry

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## 1 Introduction

The amusement/theme park industry, as we know it today, is a fascinating example of how the vision of one man, Walt Disney, shaped what is today a global industry that generates billions of revenues and other positive impacts, such as employment, in the global economy. Walt Disney introduced modern practices such as connecting the park to other platforms like television, cinema and product merchandising, and also crossed the idea of family ownership, in favour of corporate ownership so that it would be easier to secure better financing (Simon, 2010).

The amusement park industry has been in perpetual evolution since the beginning, mainly due to the importance of adapting to new and emerging trends and technologies in quest of attracting and, most importantly, sustaining visitors. The origins of the amusement park industry date back to the medieval Europe where merchants, entertainers, and food vendors gathered at ancient and medieval religious festivals to reach large crowds (Milman, 2001).

According to the International Association of Amusement Parks and Attractions (IAAPA), the world's oldest amusement park is Bakken, located in Klampenborg, Denmark, dating back to 1583 (IAAPA, 2017). The emergence of theme parks was the result of Walt Disney who opened Disneyland in 1955 with the idea of organizing amusement areas, rides, and shows under themes (Milman, 2001). After Walt Disney's vision, plenty of businesses were created with the same philosophy, resulting in a global industry over the years. These businesses offer various kinds of attractions with key driver to entertain millions of customers. However, the analysis of such an industry seems to be a neglected area. The analysis of this industry is rather important, since it provides plenty of benefits, both direct (taxes, employment) and indirect (growth of tourism and increase of value of specific areas).

Milman (2001) proposes that the key factors that are going to influence the immediate development of the (North American) amusement/theme parks (according to the opinions of the park operators), are the customer's preferences, and dynamics of the general economy. Surprisingly, the technological dynamics were not as high in score.

This topic was chosen for analysis due to the fact that the amusement/attractions industry has benefited the lives of millions of people, both directly (by creating various kinds of employment) and indirectly (increasing tourism in surrounding areas, state taxes). This topic is being overlooked, leaving a noticeable gap waiting to be filled in

### 1.1 Objectives and Research Questions

The main objective of this study is to present, analyse, and compare data of the global Amusement/Attractions industry and its direct and indirect effects on various markets globally. In addition to that, this thesis paper will try to identify the reason that amusement parks have failed, or succeeded, over the years.

The writer of this thesis has collected and put together data from different countries and pointed out how such an industry can have a tremendous effect on geographical areas and markets.

There are two key research questions:

- **How does the amusement/attractions industry affect the markets on a global level (both socially and economically)?**
- **What makes amusement/theme parks to succeed or fail?**

In order to find answers to these questions, the writer walks through a theoretical framework of hospitality management (Milman), attractions management, competitive strategies, and creativity (Porter, Kaufman, Baer), as well as data from the International Association of Amusement Parks and Attractions organisation. In addition, a SWOT analysis has been designed based on the biggest amusement/theme parks of the global industry. However, sometimes the theoretical framework is not in line with the data collected from past performances, or opinions of the amusement park's staff.

## 1.2 Methodology, Validity and Reliability

According to Howell (2013), methodology is the general research strategy that shows how the research was made and explains how the data were collected (Howell, 2013). The data used in this paper were collected from industry official yearly reports, other topic-related academic publications, and industry related organisations. The future estimates and numbers mentioned in this thesis paper are based mainly on data from secondary sources like IAAPA, or TEA, and also on the writer's opinion that was formed during writing this paper. Tables and figures are created based on data collected by IAAPA, TEA, and the writer's findings.

The theoretical frameworks that were applied to this thesis are reliable and viable. Porter's competitive strategies and SWOT analysis, for example, were reasonable for the topic, and revealed results. However, some of the results taken out of the theory were not on the same level when it came to practice, and how the park executives dealt with issues. The reliability of the data presented in this thesis, is rather well-founded since most of them are based on official year-to-year industry reports from the International Association of Amusement Parks and Attractions. There are no other organisations or researchers gathering data about this industry, so it is impossible to compare results in order to verify their reliability further. The validity of this thesis refers to if the writer has effectively answered the two research questions in the subchapter above.

This is a secondary research paper, based on other reports, articles, and research papers. Most of the data and reports studied and analysed by the writer, come from the International Association of Amusement Parks and Attractions (IAAPA). Therefore, a brief introduction of IAAPA is necessary.

Founded in 1918, the International Association of Amusement Parks and Attractions (IAAPA) is the largest international trade association for permanently situated amusement facilities worldwide. The organization represents nearly facility, supplier, and individual members from 99 countries, including professionals from:

- Amusement parks, theme parks, and attractions
- Family entertainment centres



- Museums and science centres
- Water parks and resorts
- Zoos and aquariums
- Industry manufacturers and suppliers

IAAPA helps their members to improve efficiency, marketing, safety, and profitability while maintaining the highest possible professional standards in the industry (IAAPA, 2017).

## 2 Amusement Industry Management Strategies

### 2.1 Marketing Strategies

According to Swarbrooke (2002), successful attractions are usually those which have a systematic approach to marketing. A marketing strategy is mainly created out of draft marketing plans. Marketing plans are made to ensure that a company's goals and objectives are being achieved, and include different analytical tools, like SWOT analysis, in order to identify the strengths, weaknesses, opportunities, and threats that a company has to deal with. Therefore, marketing plans can really help park executives to make more accurate decisions when it comes to product development, or other actions. When creating a marketing plan, the starting point is always the analysis of the current situation. It is common to use specific analysis tools, including SWOT analysis (see Table 23), Porter's Five Forces (page 6), etc., in order to evaluate the situation of the organization as a whole (Swarbrooke, 2002).

Therefore, a park's marketing plan should include future goals and strategic moves to achieve them. When it comes to strategy, park executives have options like **market penetration** (increasing the market share of an existing product, or promoting a new product), **product development** (new or different characteristics of a new or existing product), **market development** (expansion by having new segments), and **diversification** (when entering a market different than core business).

Market penetration is a low-cost method that can be based on promoting a park's rides, while product development involves buying new on-site attractions or rides, which can be very expensive. Market development is also expensive, because it includes significant advertising budget. The option of diversification also needs a large amount of capital, because of the significant change in operation, which can also burden the company with extra risk. As Porter (1985) suggests, each park should establish the bases for its competitive edge: cost leadership, product differentiation or market focus. In cost leadership, the park aims to be the low cost option in its industry. In a differentiation strategy, the park aims to be unique in positions that are valued by visitors. In a market focus strategy,

the park selects a segment or group of segments, and tailors its strategy to serving them to the exclusion of others (Porter, 1985).

## 2.2 Technology and Innovation

According to Hudson (2006) experiences are a key innovation in today's business across a variety of industries from health care to automobiles. Moreover, a recent study found that the number one ranked 'most memorable experience' for customers is in connection with vacation (Hudson, 2006). According to an article written by Roseboom M., in the attractions magazine, theme parks are constantly on the lookout for new attractions. Faster, more spectacular, and thrilling attractions are the typical additions, but virtual reality and video game themes as well as dinosaurs and robots are emerging as a new trend in the market (Roseboom, 2017).

Virtual reality (VR) is not in itself a new technology, but previous incarnations have not caught on. The new generation of VR is generating excitement and VR coasters are now being introduced. Park visitors, using a VR headset, see a visual storyline synchronized to motions of the ride. They can interact with the story using their body movements to affect the ride, which gives each rider a unique experience. The very first VR coaster opened for visitors in 2015, at Europa-Park, Germany, followed by Canada's Wonderland, and Universal Studios Japan. All of them were developed by a new start-up company, VR Coaster GmbH & Co. Till this day, 17 theme parks worldwide are operating VR coasters, with the latest and most famous in Six Flags park, themed with Superman content from the DC Comics universe. (Wesley, 2016).

Video games represent a growing segment of intellectual property themes. Video games are one of the fastest growing segments of in-home consumer entertainment and attractions based on video games promise to be appealing theme park attractions for gamers. In the United States, Cedar Fair has a deal with Electronic Arts to open a Mass Effect attraction at California's Great America and Plants vs. Zombies at Carowinds in 2016. Ubisoft, the France-based video game developer, is planning a video-game based theme park in Malaysia in 2020. According to an article on CNBC, by Morris C., Universal

Studios has a licensing deal with Nintendo and Nintendo Land is slated to open at Universal Studios Japan in 2020 (Morris, 2016).

### 2.3 Competitive Strategies

Porter (1980) has described competitive strategy as taking offensive or defensive actions to create a defensible position in an industry, to cope successfully with the five forces and thereby yield a superior return of investment for the firm. Those five forces are: bargaining power of suppliers, bargaining power of buyers, threat of new entrants, threat of substitutes, and industry rivalry. In order for a company to be able to cope with these five competitive forces, there are three potentially successful strategic approaches to compete and dominate other competitors in the industry. These strategies are based on overall cost leadership, differentiation, and focus (Porter, 1980).

The **cost leadership** strategy aims to achieve cost leadership in an industry through a set of fundamental policies aimed at this basic objective. Cost leadership requires aggressive construction of efficient scale facilities, pursuit of cost reduction, and cost minimisation in areas like R&D, service, sales force, advertising, etc. However, quality, service, and other areas cannot be ignored. Having low cost position yields the firm above average returns despite other strong competitors. Low cost provides some defence against powerful suppliers by providing more flexibility to cope with input cost increases. Achieving a low overall cost position often requires a high relative market share (or other advantages, such as favourable access to raw materials). In turn, it may require heavy upfront capital investment, aggressive pricing, and start-up losses in order to build up market share. High market share may in turn allow economies of scale, which lowers costs even more. Once achieved, the low-cost position provides high margins which can be re invested in order to maintain the cost leadership.

The **differentiation** strategy is about differentiating the product/service of the firm, creating something that is perceived to be unique. Ideally, the company should differentiate itself along several dimensions (for example "Caterpillar" is not only known for its dealership network, but also for spare parts and excellent quality products. Differentiation provides insulation against competitors because of brand loyalty by customers,

resulting in lower sensitivity to pricing. It also increases margins, which avoids the need for low-cost position. In addition, the customer loyalty and the need for potential competitor to overcome the uniqueness, provides relatively high entry barriers. However, in contrast to the previous strategy, achieving differentiation may not include having a high market share, since it often requires the perception of exclusivity which is incompatible with high market share.

The **focus** strategy aims focusing on a particular buyer group, segment of the product line, or geographic market. Although the previous two strategies are aimed at achieving their objectives within the whole industry, the focus strategy is built around serving a particular target very well. Even though the focus strategy does not achieve low-cost or differentiation for the market as a whole, it does achieve one, or both of these positions in its narrow market, by better meeting the needs of a target group, or lower cost in serving them, or both.

In practice, in the amusement/attractions industry there are parks that have chosen each of these strategies. Large multinationals like Walt Disney as a whole, have a huge part of the global market share. Walt Disney World is not aiming on having the cost leadership in the US industry and this is quite obvious by having the most expensive admission fee in the US (\$120). Still, the brand loyalty with its customers is very strong (Magic Kingdom attracts more than 18 million visitors per year), resulting in low sensitivity to pricing. Disney World's customers visit the park because it is perceived to be unique in its kind, which is another factor of the differentiation strategy. However, Cedar Point park, has successfully achieved the focus strategy. The admission fee for the park is half of that of Disney World's (\$52), and it is also famous for being one of the best parks for roller coaster enthusiasts, attracting more than 3 million visitors per year. Consequently, Cedar Point has not only achieved cost leadership, but also differentiation, confirming Porter's theory above. One example of a successful (major) park that is perceived as being the cost leader in the US is the Knott's Berry Farm, in California. With a \$42 admission fee and a wide range of attractions to offer, Knott's Berry Farm attracts more than 3.5 million visitors per year (Yarnborough, 2016).

The strategies mentioned above, do impose huge amounts of risk, each on a different level. Cost leadership imposes severe burdens on the firm to keep up its position (constant need of reinvestment, being alert for technological improvements, etc). According to Porter (1980), the main risks of the cost leadership strategy are:

- Technological change that nullifies past investments
- Inability to see required product or marketing change, due to focus on cost savings
- Inflation in costs that shrink the firm's ability to keep high margins

One major example of cost leadership failure is the case of Ford Motors in the 1920s. Ford had achieved great cost leadership, but as the salaries in the industry rose, the market changed. Customers were willing to pay a premium price in order to get more features in a car.

The differentiation strategy experiences different risks, with the biggest being the cost gap between the low-cost firms and the differentiated company becoming too great to hold the brand loyalty. As an example, is the case of Kawasaki and Harley Davidson, where the Japanese company got a large portion of the market share (from the differentiated Harley Davidson) by offering significant cost saving to customers. Similar risks are also shared in the focus strategy, where the biggest threat is the cost gap between low-cost and focused firm becomes greater (Porter, 1980).

In addition, Porter's competitive strategies differ depending on the industry. For example, a fragmented industry, like the North American amusement industry, is characterised by products or services that are differentiated whereas other industries, like the European amusement industry, is characterised by undifferentiated products/services. According to Porter, industries are defined as fragmented when they have mainly small or medium-sized companies (instead of one firm with significant market share), that can strongly influence the industry outcome with their strategies. The key elements of a fragmented industry are high transportation costs and diverse market needs (Porter, 1980).

Porter (1980), in his book about competitive strategies, introduced the "Prisoner's Dilemma", where two prisoners in jail have the choice of "selling out" each other's or stay silent. If neither speaks, they both get released, and if they both speak, they get hanged. However, if one of them speaks, and the other does not, the one that spoke gets released. Both prisoners are better off if they stay loyal, but when thinking of own interests, each of them have bigger incentive to speak, provided that the other one does not.

Applied into the business world, this is a way of presenting that, even in oligopoly, if firms are cooperative they can all make reasonable profit. However, if one company tries to make a strategic move, that serves self-interest, to which competitors do not respond effectively, then that company can have even higher profit. In case the competitors do respond fast and effectively, then they all will be worse off, compared to when they were cooperative. Porter states that a big number of competitors in an industry, means that their relative power is more equal, their products are more standardised, and their fixed costs are higher, leading to slower growth of the market. In such cases, the chance of a firm trying to pursue own self-interests is much higher. Consequently, when firms in an industry have different goals and perspectives, the harder it will be to understand properly each competitor's moves and achieve a more cooperative relationship. In such conditions as described above, it will be too risky for a company to make any kind of strategic move, offensive or defensive (Porter, 1980).

### **3 General Analysis of Global Amusement Park Industry**

This part of the thesis introduces a SWOT analysis of the amusement industry, core facts of the amusement/theme park industry such as demographics and attendance, and other key factors of influence like political, environmental, social, etc.

#### **3.1 SWOT Analysis**

In order to better understand and analyse the factors that affect the success or failure of the global amusement/attractions industry, a SWOT analysis was conducted based on data from IAAPA research results, other researches (Milman, Swarbrooke), and the writer's own findings.

SWOT analysis is a tool that helps identify any organization's strengths, weaknesses, opportunities and threats. It is an analytical framework that assesses the situation in which an entity (business, industry, or product) is, both internal (strengths and weaknesses) as well as external (potential opportunities and threats).

By analysing data in order to evaluate the position of a company, a SWOT analysis identifies what can help the firm to accomplish its goals, and what risks must be minimized to achieve desired results (Investopedia, 2017). Table 1 was created based on the research made for this thesis paper, and on the writer's findings.



Table 1: SWOT Analysis of attractions industry based on key theme parks

Strengths	<ul style="list-style-type: none"> <li>- Very high barriers to entry</li> <li>- Big market size</li> <li>- Brand loyalty, uniqueness of products</li> </ul>
Weaknesses	<ul style="list-style-type: none"> <li>- Theme parks depend on the popularity of the characters it features for marketing purposes</li> <li>- Highly dependent on weather</li> <li>- Slow adaptation of new technology trends</li> <li>- Failing to react to high number of visitors, resulting in long queues and frustration</li> <li>- Operational costs of big brands vs smaller brands</li> </ul>
Opportunities	<ul style="list-style-type: none"> <li>- Combination offers can attract visitors (tickets, hotels, etc)</li> <li>- Introducing new, innovative rides can attract more visitors               <ul style="list-style-type: none"> <li>o Simulation, Virtual Reality</li> </ul> </li> <li>- In specific markets income levels are increasing</li> <li>- Partnerships with other companies               <ul style="list-style-type: none"> <li>o Or, Mergings &amp; Acquisitions</li> </ul> </li> <li>- Expansion to other markets</li> </ul>
Threats	<ul style="list-style-type: none"> <li>- Competitive industry where lack of innovation has proved to be disaster</li> <li>- Injuries of visitors</li> <li>- State regulations</li> <li>- Increasing costs (labour, taxes, interest rates)</li> <li>- Terrorist attacks</li> </ul>

### 3.2 Demographics

Some of the key demographics of Amusement Parks, according to Table 2, on a global level, are families with children between 2 – 18 years old (more than 70%) (IAAPA, 2012).

Table 2: Survey of Primary Demographics of Amusement/Theme Parks Globally, IAAPA, 2012

Which of the phrases below best describes the primary (most important) target demographic for your facility?	In what country or region is this operation located?							
	Asia/Pacific/Middle East		Latin America and the Caribbean		Europe		United States/Canada	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Families with children 0–9	2	4%			3	9%	6	6%
Families with children 2–12	8	17%	2	13%	15	44%	42	43%
Families with children 5–18	26	57%	7	43%	12	35%	41	42%
Teenagers (11–17)	1	2%	6	38%	1	3%	2	2%
Young Adults (18–24)	5	11%			3	9%	3	3%
Adults (Ages 24+)	4	9%	1	6%			4	4%
<b>TOTAL</b>	<b>46</b>	<b>100%</b>	<b>16</b>	<b>100%</b>	<b>34</b>	<b>100%</b>	<b>98</b>	<b>100%</b>

Table 3, shows that in Asia/Pacific/Middle East and Latin America/Caribbean, the second most important demographics are visitors between 18 and 24 years old. However, in Europe and US/Canada, the secondary demographic are families with children between 2 and 12 years old. In addition, United States and Canada have the lowest rate at attracting visitors between 18 and 24 years old (8%) (IAAPA, 2012).

Table 3: Survey of Secondary Demographics of Amusement/Theme Parks Globally, IAAPA, 2012

Which of the phrases below best describes the secondary (next most important) target demographic for your facility?	In what country or region is this operation located?							
	Asia/Pacific/Middle East		Latin America and the Caribbean		Europe		United States/Canada	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Families with children 0–9	1	2%			6	18%	12	12%
Families with children 2–12	4	9%	5	31%	8	24%	26	27%
Families with children 5–18	6	13%	4	25%	4	13%	26	27%
Teenagers (11–17)	8	18%			8	24%	16	17%
Young Adults (18–24)	16	36%	5	31%	6	18%	8	8%
Adults (Ages 24+)	10	22%	2	13%	1	3%	9	9%
<b>TOTAL</b>	<b>45</b>	<b>100%</b>	<b>16</b>	<b>100%</b>	<b>33</b>	<b>100%</b>	<b>97</b>	<b>100%</b>

### 3.3 Factors of Influence for Amusement Parks

According to J. Swarbrooke (2002), each park's development process takes place in a complex context, which conditions it in a variety of ways. Swarbrooke distinguishes between two main components within the business environment that affect the development of visitor attractions, the macroenvironment and the microenvironment. The macroenvironment has a strong influence on organisations but cannot be controlled by them. It is also known with the initials PESTE - political, economic, social, technological, and environmental. PESTE is an external analysis framework that helps when doing market research, and gives a perspective of the different macroenvironmental factors that a company has to take into consideration.

The microenvironment includes the structure of the company itself, its suppliers, existing customers and competitors. According to Swarbrooke, the role of each factor in the development of a park is variable in time and specific for each initiative. Table 4, shows the key factors in the business environment that affect theme park development, according to Swarbrooke's theory (2002).

Table 4: Factors that Affect the Development of an Amusement/Theme Park, (Swarbrooke, 2002)

Political	Political changes Legislation Deregulation-Privatisation Public support for development Civil unrest	Organisation	The role of human resources The motivation of part/full time staff
		Suppliers	Quality of products and services New rides and attractions
Economic	State of economy Taxation Currency rate Inflation	Marketing Intermediaries	Tourist info centres Tour operators and agencies Hotels Sustainable marketing Right demographics
Social	Demographic trends Consumer behaviour Corporate social responsibility	Customers	Brand loyalty Visits per year
Technological	Growing home-based entertainment system Virtual Reality New types of rides		
Environmental	Weather Environmental issues	Competitors	Other attractions and theme parks Market uniqueness Future plans

Political and economic stability of a region is crucial when it comes to park creation. Most of the times the amount of investment required is multiple millions and the investors want to have minimum risk. A sudden, significant change in the political scene can result in huge loss or costs, and in severe cases, abandonment of the project, like the two amusement parks planned by Cartoon Network and Six Flags in the Philippines (Rosario, 2017).

Social factors such as demographics are more clearly presented in the Table 1 and Table 2. Technological trends and how they can affect the successfulness of a park is also discussed further in chapter 2.2.

Regarding the environment as a factor, according to a survey made by IAAPA (2012), the **biggest** impact on visitor numbers and revenues, according to the parks, is the weather. Amusement parks that indicated better revenue in 2011 than in 2010, the better the weather was the higher the percent was that revenues were better. General Admission revenue shows indications of being impacted by weather, as those indicating that weather was great also showed the highest revenue percentages for general admission (IAAPA, 2012).

Respondents in the U.S. and Canada region felt weather had by far the most impact on attendance, with 85% answering weather was terrible or not great. The only other region with over 50% indicating weather had an impact, was Asia/Pacific/Middle East, with 56% responding weather was terrible or not great and impacted attendance (IAAPA, 2012).

Table 5 and 6 show the results of the survey made by IAAPA, on how much the amusement parks' revenues are depended on weather conditions. In cases where the weather has been good or great, there is a more that 80% chance that the revenue is better than the year before. Consequently, in cases where the weather was described as terrible, there was a 42% of worse revenue compared to the year before.

Table 5: Weather Impact compared to Revenue globally, IAAPA Survey, 2012

How did 2011 compare to 2010 in terms of REVENUE for your business?	To what extent did weather impact your attendance in 2011 compared to 2010?									
	Weather was terrible		Weather was not great		Weather was average		Weather was good		Weather was great	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Better than 2010	15	48%	25	57%	36	64%	24	80%	11	100%
Same as 2010	2	6%	10	23%	8	14%	3	10%		
Worse than 2010	13	42%	7	16%	8	14%				
Not Applicable (facility was not open in 2010)	1	3%	2	5%	4	7%	3	10%		
<b>TOTAL</b>	<b>31</b>	<b>100%</b>	<b>44</b>	<b>100%</b>	<b>56</b>	<b>100%</b>	<b>30</b>	<b>100%</b>	<b>11</b>	<b>100%</b>

Table 6: Weather Impact and Region, IAAPA Survey, 2012

In what county or region is this operation located?	To what extent did weather impact your attendance in 2011 compared to 2010?									
	Weather was terrible		Weather was not great		Weather was average		Weather was good		Weather was great	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Asia/Pacific/ Middle East	9	27%	14	29%	15	25%	2	7%		
Latin America and the Caribbean	3	9%	3	6%	5	8%	2	7%	1	8%
Europe	8	24%	9	19%	7	12%	8	27%	3	25%
United States/ Canada	13	39%	22	46%	32	54%	18	60%	8	67%
<b>TOTAL</b>	<b>33</b>	<b>100%</b>	<b>48</b>	<b>100%</b>	<b>59</b>	<b>100%</b>	<b>30</b>	<b>100%</b>	<b>12</b>	<b>100%</b>

From the list of the internal factors, the most important are **Customers**, and **Competitors**. When it comes to customers, the parks are aiming for brand loyalty. This is achieved, as mentioned above, when there is differentiation, and it benefits the company with lower sensitivity to pricing strategies. Regarding its competitors, a park should think of the competitors' "uniqueness" of product, and the future plans and strategies. When the need for new trends rise, the parks have to react fast and effectively in order to attract new visitors, or counter the strategy of a competitor.

### 3.4 Pricing Policies of Amusement Parks

Regarding the pricing policies, "Pay-one-price" admission pricing was offered by 47% of the parks in 2015 compared to 55% in 2011, while 38% featured combination pricing. In addition, "Pay-as-you-go" admission pricing raised from 7% in 2011, to 15% in 2015, as shown in Table 7. The average length of stay, according to 2015 data, is 5.5 hours, with 40% of the visitors spending between 4 and 5 hours at the parks, and 27% spending 6 to 7 hours (IAAPA, 2016b)

Table 7: Pricing Policies Comparison 2011-2015, IAAPA, 2016b

Which statement below best describes the admission pricing policy at your facility?	2015		2011	
	Count	%	Count	%
Pay-one-price (pay once and the attractions are all included)	94	47%	110	55%
Combination of Pay-one-price and pay-as-you-go	75	38%	77	39%
Pay-as-you-go (attractions priced individually)	29	15%	13	7%
<b>TOTAL</b>	<b>198</b>	<b>100%</b>	<b>200</b>	<b>100%</b>

These answers have been generated from two different surveys that the International Association of Amusement Parks and Attractions (IAAPA) completed in 2011 and 2015.

This analysis showed that there are distinctive differences in the attractions industry between geographical locations when it comes to demographics and weather influence. In Asia/Pacific, the park managers describe as most important target demographic the families with children between 5-18 years old, while in Latin America the park managers identified their primary demographics as families with children between 5-18 years old, and teenagers between 11-17 years old. European and US park managers however, thought that their primary demographic is families with children between 2-12 years old, and then 5-18 years old respectively. Regarding the weather impact, Asian park managers said that their attendance was highly impacted by the weather (27%), as was also in Europe (24%), but in the US most of the parks were positively impacted, since most of the parks are located in Florida where the climate is tropical (67%).

## 4 Analysis of North American Industry

There are more than 400 amusement parks and attractions in the North American region, attributable for attracting nearly 400 million guests annually (IAAPA, 2017). Table 8 shows that the North American theme park market rose by 7.7% in 2015, an improvement from the 4.5% growth in 2014. Attendance rose 4.4%, rebounding from the 0.8% decline in 2014. Per capita spending increased 3.2%, the smallest gain since 2011. The United States market was particularly strong, rising 7.7%, up from the 4.6% increase in 2014. Canada's theme park market also improved in 2015 with a 4.2% increase from the 2.7% gain in 2014 (IAAPA, 2016c).

Attendance in Canada for 2015 was 15.6 million, while in United States attendance reached 372.5 million (IAAPA, 2016c). The US market is the main source of the North American industry, so for that reason, it has received more attention in this report.

Table 8: Attendance, Per Capita Spending and Total Spending in North America, IAAPA, 2016c

Theme Park Market by Category													
North America	2010	2011	2012	2013	2014	2015	2010-2015 CAGR	2016	2017	2018	2019	2020	2015-2020 CAGR
Attendance (Millions)	349.3	358.1	368.9	374.9	371.9	388.1		401.2	412.9	423.8	433.0	442.0	
% change		2.5	3.0	1.6	-0.8	4.4	2.1	3.4	2.9	2.6	2.2	2.1	2.6
Per Capita Spending† (US\$)	43.56	44.90	46.91	49.93	52.61	54.28		55.84	57.52	59.43	61.62	63.98	
% change		3.1	4.5	6.4	5.4	3.2	4.5	2.9	3.0	3.3	3.7	3.8	3.3
Total Spending† (US\$ Millions)	15,215	16,077	17,306	18,718	19,566	21,068		22,405	23,752	25,187	26,680	28,278	
% change		5.7	7.6	8.2	4.5	7.7	6.7	6.3	6.0	6.0	5.9	6.0	6.1

### 4.1 Socio-Economic Impacts of the Amusement Park Industry in the US

The attractions industry is a significant driver of the US economy. In 2011, nearly 30,000 attractions generated a total nationwide economic impact of \$219 billion, including \$91 billion in direct impacts and \$127 billion in indirect and induced impacts. The attractions industry supported 2.3 million total jobs in 2011 with associated personal income of \$67 billion (IAAPA, 2013).



Table 9 shows that the US attractions industry (including more than just amusement/theme parks) directly and indirectly sustains more employment than other key U.S. economic sectors. The 1.3 million direct jobs created by the attractions industry exceeds the employment of computer and electronics manufacturing (1.13 million), telecommunications (1.02 million), chemical manufacturing (800,000), oil and gas extraction (784,000), and motor vehicle and parts manufacturing (732,000). Total employment (direct and indirect) of the attractions industry is nearly 2.3 million, as shown in Table 11 (IAAPA, 2013).

Table 9: Employment in Key US Sectors Benchmark, IAAPA, 2013

Industry	Jobs
<b>Attractions industry*</b>	<b>1,275,051</b>
Computer and electronics manuf.	1,125,400
Machinery manufacturing	1,101,200
Telecommunications	1,024,100
Chemical manufacturing	803,700
Oil and gas extraction	783,800
Motor vehicles and parts manuf.	731,700

Most importantly, as Table 10 shows, the amusement/theme park industry with 382 amusement/theme parks, had direct economic impact of \$50 billion and employed nearly 1.2 million people (directly and indirectly). Direct impacts of the attractions industry include components such as direct employment and payroll at the attractions, and total sales. In addition to industry sales, direct impacts also include capital expenditures for structures and equipment and supplementary spending associated with guests' trips to attractions (including expenditures for lodging, retail items, and transportation) (IAAPA, 2013).



Table 10: Economic Impact &amp; Employment of the US Amusement/Theme Park Industry, 2013

Industry	Economic Output (\$ Billions)		Labor Income (\$ Billions)		Jobs	
	Direct Economic Impact	Total Economic Impact	Direct Labor Income	Total Labor Income	Direct Jobs	Total Jobs
Amusement/Theme Parks	\$50.9	\$122.0	\$15.6	\$39.8	695,241	1,261,467
Museums	\$15.4	\$36.8	\$4.3	\$10.3	163,291	341,456
Family Entertainment Centers	\$13.3	\$31.6	\$3.4	\$7.9	257,966	397,411
Zoos, Botanical Gardens, and Aquariums	\$4.7	\$11.3	\$1.5	\$3.7	57,207	119,624
Water Parks	\$4.5	\$10.8	\$1.3	\$3.3	68,527	124,337
Historical Sites	\$1.5	\$3.5	\$0.4	\$1.1	20,630	43,139
Nature Parks	\$1.1	\$2.7	\$0.3	\$0.8	12,190	25,491
<b>Total, Attractions Industry</b>	<b>\$91.4</b>	<b>\$218.7</b>	<b>\$26.8</b>	<b>\$66.9</b>	<b>1,275,051</b>	<b>2,312,925</b>

As the Figure 1 shows, the industry generated nearly \$13 billion in direct sales for the year 2011.

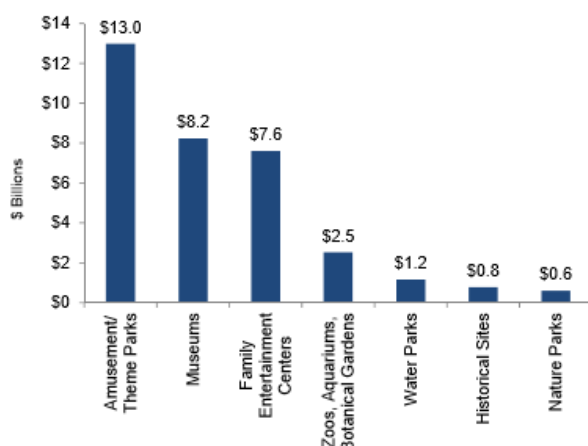


Figure 1: Amusement/Theme Park Industry Sales (\$ Billions), IAAPA, 2013

The attractions industry grew at nearly twice the rate of the overall US economy from 2004-2011. In 2004, the attractions industry generated a total economic impact of \$146 billion. Over seven years, the impact of attractions in the US grew 50% with an average growth rate of 6% per annum (IAAPA, 2013).

Table 12 shows that the amusement/theme park industry is integral to many state economies. For example, with 47 establishments in Florida, the industry generated an impact of nearly \$43 billion, including \$13 billion in total labour income, offering nearly 440,000 jobs. Tax impacts in Florida approached \$4.2 billion in federal taxes and \$3.7 billion in state and local taxes. California ranks second with 25 establishments, and with a total

economic impact of \$29 billion, including nearly \$9 billion in total labour income, and offering 271,000 total jobs (IAAPA, 2013).

Table 12: Economic Impacts, Labour Impacts & Taxes of the Amusement/Theme Park Industry in the two biggest states, Florida and California, IAAPA, 2013

State	Establishments	Total Economic Impact (\$ Millions)	Rank (Total Economic Impact)	Total Labor Income (\$ Millions)	Total Jobs	Federal Taxes (\$Millions)	State & Local Taxes (\$ Millions)
California	25	\$29,016	2	\$8,662	271,682	\$2,871	\$2,744
Florida	47	\$42,714	1	\$13,024	437,656	\$4,206	\$3,750

According to Table 13, data collected by IAAPA during the year 2015, showed that the average annual salary of an amusement park Chief Executive is nearly \$187,560, with average hourly salary of \$90.17 per hour, while lower positions such as cashiers and amusement/recreation attendants have an average annual salary of nearly \$20,500, with average hourly salary around \$10 per hour.

Table 13: Employment and Salaries of U.S. Amusement Parks, IAAPA, 2015

Occupation title (click on the occupation title to view an occupational profile)	Employment	% of total employment	Median hourly wage	Average hourly wage	Annual Average wage
<b>All Occupations</b>	<b>190,540</b>	<b>100.00%</b>	<b>\$10.63</b>	<b>\$14.50</b>	<b>\$30,160</b>
Chief Executives	90	0.04%	\$78.75	\$90.17	\$187,560
General and Operations Managers	1,380	0.72%	\$34.96	\$42.43	\$88,250
Advertising and Promotions Managers	50	0.03%	\$37.27	\$43.21	\$89,880
Marketing Managers	310	0.16%	\$45.99	\$49.01	\$101,940
Sales Managers	250	0.13%	\$51.56	\$58.54	\$121,770
Maintenance and Repair Workers, General	3,650	1.92%	\$17.42	\$18.34	\$38,140
Administrative Services Managers	210	0.11%	\$41.43	\$47.25	\$98,280
First-Line Supervisors of Retail Sales Workers	1,180	0.62%	\$19.59	\$20.78	\$43,230
Financial Managers	210	0.11%	\$58.24	\$66.21	\$137,710
Purchasing Managers	50	0.02%	\$47.30	\$51.21	\$106,510
Human Resources Managers	100	0.05%	\$50.81	\$57.37	\$119,340
Cashiers	13,540	7.11%	\$9.67	\$10.09	\$20,990
First-Line Supervisors of Personal Service Workers	2,780	1.46%	\$16.68	\$18.12	\$37,680
Amusement and Recreation Attendants	42,960	22.54%	\$9.26	\$9.80	\$20,380

## 4.2 The Effects on the Local and Regional Economies

A cooperation, started in 1994 and valued at over \$4.2 billion, between Disney and the city of Anaheim, in California, allowed the transformation of the surroundings of Disneyland into what has come to be called the Anaheim Resort District. This operation has involved the construction of a second theme park, Disney's California Adventure, the expansion of the Convention Centre, and the embellishment of the park surroundings

(landscaping, infrastructure, transport, etc.). Furthermore, according to the municipality of Anaheim, the project had to involve an annual contribution to the municipal funds of \$6 million and took place without increasing the taxes paid by the city's residents (Lockwood, 2000).

The main development axis of the Anaheim Resort has been the expansion of Disneyland and its conversion into the Disneyland Resort. The initiative was completed in 2001 with the opening of Disney's California Adventure. In addition, the Anaheim project involved an investment of \$100 million to renovate the old Anaheim Stadium in the Edison International Field baseball ground. The adjacent Stadium Promenade is where numerous new restaurants have set up. For Anaheim, the project has meant the start of a new stage. The project created almost 30.000 jobs during the execution, and another 8.000 permanent jobs in the city, when done (Ault and Wiktor, 2001).

To conclude with the North American market, another important impact of attractions is the tourism-related spending generated in other sectors by domestic and international visitors. The amusement park industry is an integral part of the global travel experience and generates significant economic activity for destinations, as travellers spend money not only at attractions, but also at other local businesses, including hotels, restaurants, and retail establishments.

While the origin of the theme park industry is in the US, the theme parks have expanded globally in the recent decades. 27 years have passed after Walt Disney Company began expanding overseas, and US companies continue to seek foreign markets, looking for new revenue sources and an increasingly global market. At the turn of the second decade of the twentieth century, major US companies have at least 13 parks under development in South Korea, Singapore, Shanghai, Abu Dhabi, and Dubai (Yoshino, 2008).

## 5 Analysis of the European Industry

Despite not reaching the characteristic scale of the North American market (with per capita visit numbers at 0.8 in the US and an average maximum of 0.3 in Europe, with noticeable differences between the European countries), the European amusement/theme park market may be considered, at least in the West European sector, as being consolidated (Clavé, 2007).

According to the 2015 annual attendance report published by the Themed Entertainment Association (TEA), the European theme park industry has two parks with over 5 million annual visits, Disneyland Paris (10.3 million in 2015) and Europa-Park in Germany (5.5 million visits in 2015), and four parks with over 3 million visits: Tivoli Gardens (Denmark), Port Aventura (Spain), De Efteling (Netherlands), and Liseberg (Sweden) (TEA, 2015).

It is worth mentioning that (almost) all the above-mentioned parks, have seen growth in attendance when comparing 2014 and 2015 visitor numbers. Disneyland Paris experienced a 4.2% growth, Europa-Park 10%, Tivoli Gardens 5.7%, De Efteling 6.4%, Port Aventura 2.9%, only Liseberg had the same number of visitors (TEA, 2015).

Table 14: Theme Park Attendance, Per Capita Spending and Total Spending, IAAPA, 2016c

Theme Park Market by Category													
Europe	2010	2011	2012	2013	2014	2015	2010–2015 CAGR	2016	2017	2018	2019	2020	2015–2020 CAGR
Attendance (Millions)	152.1	157.4	156.8	156.7	160.8	165.5		166.5	170.2	174.0	178.2	185.2	
% change		3.5	-0.4	-0.1	2.6	2.9	1.7	0.6	2.2	2.2	2.4	3.9	2.3
Per Capita Spending† (US\$)	33.67	34.51	34.77	35.96	36.85	36.98		38.15	39.16	40.14	41.23	42.83	
% change		2.5	0.8	3.4	2.5	0.4	1.9	3.2	2.6	2.5	2.7	3.9	3.0
Total Spending† (US\$ Millions)	5,121	5,432	5,452	5,635	5,925	6,121		6,352	6,665	6,985	7,348	7,932	
% change		6.1	0.4	3.4	5.1	3.3	3.6	3.8	4.9	4.8	5.2	7.9	5.3

Interestingly enough, according to Clavé, European parks receive fewer visitors per park than the world average and, though per visit income is lower (\$22 per visit in Europe as against \$24.95 worldwide), it rose by 22.2 % between 1990 and 2005 whereas the global average has slightly decreased by -2.4% (Clavé, 2007). However, as shown in Table 14, these figures have been rising, and according to a IAAPA, by 2020 the average visitor

spent will be nearly \$45 in North America, \$42 in Europe, \$26 in Latin America, and \$21 in Asia (IAAPA, 2016c).

According to Table 15, park spending in Germany, Denmark, and Spain grew the fastest in 2015 with increases of 9.7%, 8.8%, and 8.3%, respectively. Europa-Park, Phantasieland, and Heide-Park in Germany had a very strong year. In Denmark, Tivoli Gardens and Legoland Billund each were up at healthy rates while Parque Warner in Spain posted a double-digit gain. France also saw a positive 7.7% increase in 2015 following two weak years. Disneyland Paris rebounded in 2015 and performance would have been even stronger were it not for the November terrorist attack in Paris (IAAPA, 2016c).

Table 15: Theme Park Spending Growth by Country, IAAPA, 2016c

Theme Park Spending Growth by Country (percent)												
Europe	2011	2012	2013	2014	2015	2010–2015 CAGR	2016	2017	2018	2019	2020	2015–2020 CAGR
Denmark	6.9	3.6	8.2	9.3	8.8	7.3	5.9	5.5	5.0	5.2	4.9	5.3
France	5.6	3.1	-2.6	1.1	7.7	2.9	-1.2	4.4	4.9	4.8	4.6	3.5
Germany	4.8	4.4	5.4	5.6	9.7	6.0	5.2	5.0	4.7	4.1	4.0	4.6
Italy	6.6	-7.6	2.8	3.1	3.3	1.5	4.7	4.1	4.6	5.4	4.8	4.7
Netherlands	6.3	4.3	0.5	6.4	7.5	5.0	5.2	4.3	4.3	4.0	3.8	4.3
Norway	4.8	4.5	4.3	5.6	0.0	3.8	1.3	5.2	3.7	4.8	5.7	4.1
Spain	18.9	1.6	-0.8	9.4	8.3	7.3	6.3	7.2	7.0	6.0	5.7	6.4
Sweden	6.7	-2.2	6.4	3.2	5.9	3.9	5.2	4.6	4.1	4.3	4.4	4.5
United Kingdom	3.3	-3.2	9.9	6.6	-7.3	1.7	5.4	5.1	4.4	6.8	19.1	8.0
Rest of the Region	7.9	-1.2	0.6	5.5	3.5	3.2	3.9	4.9	5.2	4.9	5.1	4.8
<b>Total</b>	<b>6.1</b>	<b>0.4</b>	<b>3.4</b>	<b>5.1</b>	<b>3.3</b>	<b>3.6</b>	<b>3.8</b>	<b>4.9</b>	<b>4.8</b>	<b>5.2</b>	<b>7.9</b>	<b>5.3</b>

### 5.1 Socio-Economic Impacts of the Amusement Park Industry in the E.U.

In 2012, the European amusement/theme park industry with 307 establishments generated approximately 4.9€ billion total revenue, contributed nearly 10€ billion to the European economy, and employed over 110.000 people (IAAPA, 2017).

According to the Figure 2, even though most of the revenue is attributable to money spent in parks (80%), the second biggest revenue source (16%) is generated from hotels and accommodation. An average of 6% of revenues is spent for marketing purposes in the European market (IAAPA, 2014).

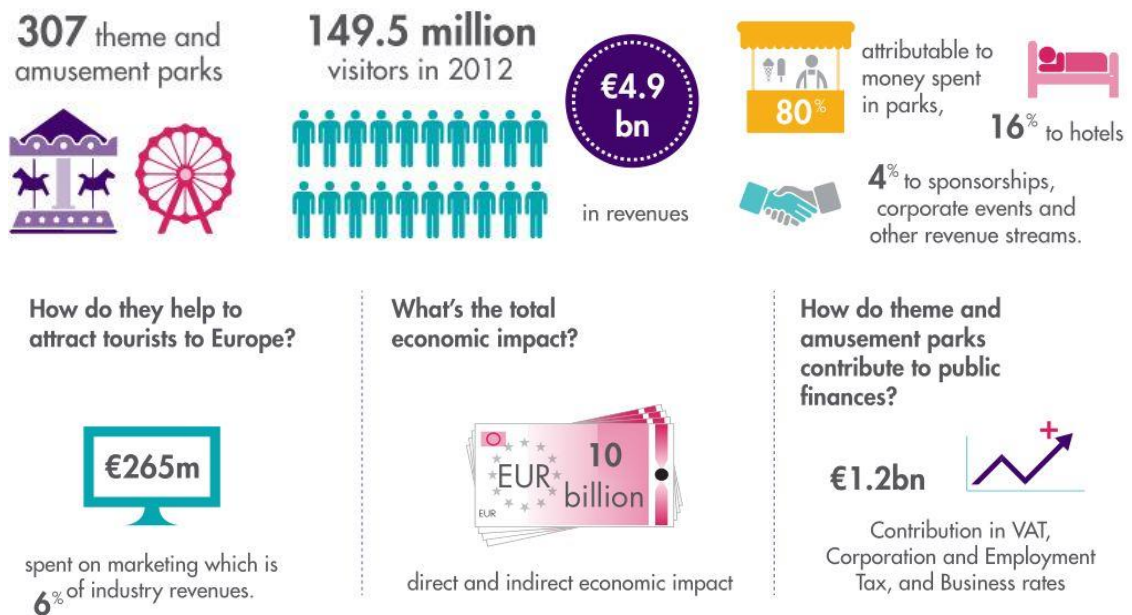


Figure 2: Economic Impacts & other facts of the Amusement Industry in E.U, IAAPA, 2014

The majority of the amusement parks are located in France and Germany, with France accounting for nearly 34% of the total revenues in Europe. Germany and the United Kingdom are accounting for 16 and 12 percent respectively. Other countries that have a key role in the industry are Denmark, Spain, Netherlands, Sweden and Italy. These eight countries are contributing nearly 92% of the total direct economic impact in Europe, and attract 88% of the total visitors (IAAPA, 2014).

As mentioned above, direct impact for the year 2013 was 4.9€ billion. However, indirect and induced impacts of the amusement park industry in Europe are estimated to be nearly 5€ billion, making the total contribution nearly 10€ billion. This takes into account the operating costs of the amusement parks, such as goods and services, employment wages and capital expenditures (IAAPA, 2014).



In conclusion, according to Figure 3, the amusement park industry in the E.U. had an estimated total fiscal impact of 1.2€ billion for the year 2012. The main sources of impact were VAT or sales tax (42%), and employee related taxes (32%) (IAAPA, 2014).

### Fiscal Impact By Source

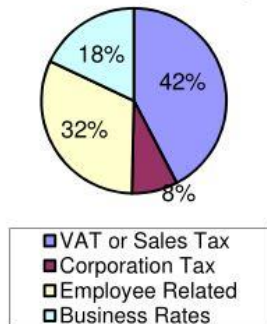


Figure 3: Fiscal Impacts in E.U., IAAPA, 2014

For the near future, there are no new parks expected to open until 2020, but a number of new attractions will be introduced. In Germany, Taron, a new dark ride coaster, opened at Phantasialand in 2016. Gardaland, in Italy, added a spinning roller coaster in the Kung Fu Panda Academy area. Europa-Park is planning more hotels as occupancy at its five hotels is running above 90 percent. Movie Park Germany, has acquired a license from Paramount, for a planned Star Trek coaster for 2017. The Wanda Group is planning a €3 billion EuropaCity complex in Paris, but it is not expected to open until 2024. In Spain, Ferrari Land is coming to PortAventura World in 2017. Thorpe Park in the United Kingdom added the Derron Brown Ghost Train, an immersive reality “train” ride, in 2016, which uses virtual reality technology and live action scenes involving participants and provides for two possible outcomes. Thorpe Park also added Project Whitechapel, a dark ride, in 2016. Nickelodeon also is planning a new theme park near London. The London Paramount Entertainment Resort is also expected to open in 2020. The BBC/Paramount theme park in North Kent will feature attractions based on the Star Trek, Mission Impossible, and The Godfather properties as well as BBC properties Doctor Who and Sherlock Holmes, and it is expected to not only be a big hit in the United Kingdom but to attract tourists from around the world (IAAPA, 2016c).

### 5.1.1 France

The French attractions market is the largest in Europe, mainly because of the Disneyland park in Paris. The French market consists of 44 amusement parks which received an estimated 29 million visitors in 2012. The French industry, as shown in Figure 4, generated nearly 1.7€ billion in revenues in 2012, of which 69% is attributable to money spent in the parks, and 26% spent for accommodation (IAAPA, 2014).

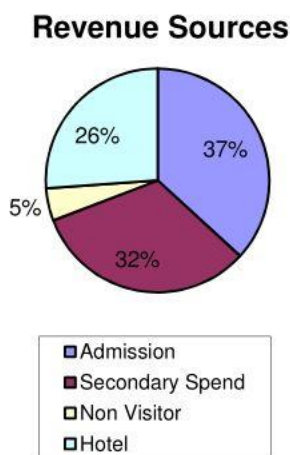


Figure 4: Revenue Sources, French Market, IAAPA, 2014

The direct employee numbers for the French market are estimated to be nearly 17.100 (indirect employee number estimated to be nearly as much) with direct wage impact of nearly 644€ million. Based on estimates, the indirect and induced economic impact on the French market for the year 2012, is nearly 1.4€ billion, including operating costs of the amusement parks, such as goods and services, wages and capital expenditures (IAAPA, 2014).

To conclude with the French market, the total estimated economic impact, over 2012, of the amusement industry is 3.1€ billion, which is equivalent of 34.2% of the European impact (IAAPA, 2014).



### 5.1.2 Germany

The German market is the second largest in Europe, after France. Even though, when compared to France, Germany has significantly more amusement/theme parks (77), the number of visitors, in 2012, are estimated to be nearly 27 million. The most famous, and largest, parks in Germany are Europa Park, LEGOLAND Deutschland, Heide Park, Movie Park, Phantasialand, and Hansa Park. In 2012, the German amusement park industry generated 778€ million in revenues, of which, according to Figure 5, 77% is attributable to money spent in the parks, and 20% spent for accommodation (IAAPA, 2014).

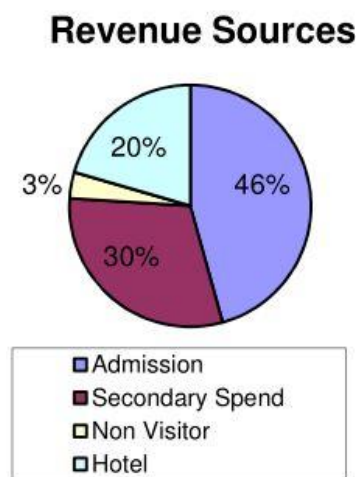


Figure 5: Revenue Sources, German Market, IAAPA, 2014

The German amusement park industry directly employed nearly 10.000 people (indirect employee number is estimated to be nearly as much), with total direct wages of approximately 220€ million over 2012. Based on estimates, the indirect and induced economic impact on the German market over 2012 is nearly 554€ million, including operating costs of the amusement parks, such as goods and services, employee wages and capital expenditures (IAAPA, 2014).

To conclude with the German market, the total estimated economic impact, over 2012, of the amusement industry is 1.3€ billion, which is equivalent of 15.9% of the European impact (IAAPA, 2014).

### 5.1.3 United Kingdom

The U.K. leisure market is third largest, consisting of 58 amusement parks, which received an estimated 24.2 million visitors over 2012. There are nine large amusement/theme parks currently in the United Kingdom. In 2012, the U.K. amusement industry generated £473 million (583€m) in revenues over 2012, of which, according to Figure 6, 87% is attributed to money spent in the parks, and 10% for accommodation (IAAPA, 2014).

#### Revenue Sources

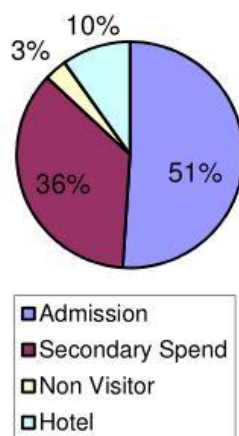


Figure 6: Revenue Sources, U.K. Market, IAAPA 2014

The U.K. amusement park industry directly employed nearly 7.300 people (indirect employee number estimated to be nearly as much), with total direct wages of £137 million (169€m) over 2012. Based on estimates, the indirect and induced economic impact on the U.K. market over 2012, in nearly £384 million (473€m), including operating costs of the amusement parks, such as goods and services, employee wages, and capital expenditure (IAAPA, 2014).

To conclude with the U.K. market, the total estimated economic impact, over 2012, of the amusement industry, is £857 million (1.1€b), which is equivalent of 11.9% of the European impact (IAAPA, 2014).

## 5.2 Conclusion

As mentioned above, the European amusement/attractions industry is mainly serviced by just a few countries. France is leading the EU industry with 44 amusement parks attracting approximately 29 million visitors each year, which is almost 35% of the whole European industry. Germany has 77 parks, notably much more than France, but the total visitor number is approximately 27 million per year (16% of Europe's market). United Kingdom is another key market, with 58 parks and an annual visitor number of about 24 million.

Looking into the future, Table 15 shows that the European amusement industry has a promising direction. According to IAAPA estimates, United Kingdom will experience rapid, steady growth of 8% by 2020. Next is Spain with 6.4% growth, Denmark with 5.6%, Germany with 4.6%, and France with 3.5%. The reason that Spain and Denmark have high percentages when it comes to growth is that the regional industry has a lot of space for growth. The estimates for France's low growth rate are based on both the market (already quite large), and the current terrorist attack risks that seem to be emanant.

## 6 Analysis of the Latin American Industry

According to IAAPA, Latin America is home to more than 60 theme parks. In 2016, the Latin American industry generated approximately \$1.9 billion, of which Brazil and Mexico are attributable for nearly \$1.2 billion (IAAPA, 2016c). The theme park market in Latin America rose 4.0% in 2015, down from increases of more than 6% annually in 2013 and 2014. As shown in Table 16, attendance rose only 0.3%. The 3.6% increase in per capita spending generated all of the spending growth.

Table 16: Attendance, Per Capita Spending and Total Spending in Latin America, IAAPA, 2016c

Theme Park Market by Category													
Latin America	2010	2011	2012	2013	2014	2015	2010–2015 CAGR	2016	2017	2018	2019	2020	2015–2020 CAGR
Attendance (Millions)	30.6	30.9	29.5	29.7	30.7	30.8		31.4	31.8	33.0	33.7	34.3	
% change		1.0	-4.5	0.7	3.4	0.3	0.1	1.9	1.3	3.8	2.1	1.8	2.2
Per Capita Spending† (US\$)	9.08	9.32	9.73	10.27	10.59	10.97		11.43	11.98	12.48	13.00	13.64	
% change		2.6	4.4	5.5	3.1	3.6	3.9	4.2	4.8	4.2	4.2	4.9	4.5
Total Spending† (US\$ Millions)	278	288	287	305	325	338		359	381	412	438	468	
% change		3.6	-0.3	6.3	6.6	4.0	4.0	6.2	6.1	8.1	6.3	6.8	6.7

### 6.1 Socio-Economic Impacts of the Amusement/Attractions Industry in Latin America

The economic impact of the Latin American amusement/attractions industry generated a total of 556 attractions (of which 65 amusement/theme parks) in 11 countries.

According to Table 17, the top three countries in numbers of theme/amusement parks are Mexico (with 18), Brazil, and Colombia, each with 13 establishments. In total number of attractions of all types, Mexico is first with 129 attractions, followed by Argentina with 98, and Brazil with 86 (IAAPA, 2016c).

Table 17: Number of Attractions by Type and Country, Latin America, IAAPA, 2016a

	Theme/ Amusement Parks	Water Parks	FECs	Total
Argentina	1	6	91	98
Brazil	13	18	55	86
Chile	3	2	50	55
Colombia	13	5	22	40
Costa Rica	3	1	2	6
Ecuador	1	2	16	19
Guatemala	7	1	28	36
Mexico	18	21	90	129
Peru	3	3	67	73
Puerto Rico	0	3	3	6
Venezuela	3	5	0	8
<b>Total</b>	<b>65</b>	<b>67</b>	<b>424</b>	<b>556</b>

Source: IAAPA; AECOM, 2016

These attractions in Latin America draw millions of visitors each year. Figure 7, shows that Mexico and Brazil are accounted for most of the visitors, with attendance of 21.3 and 18.4 million visitors respectively each year.

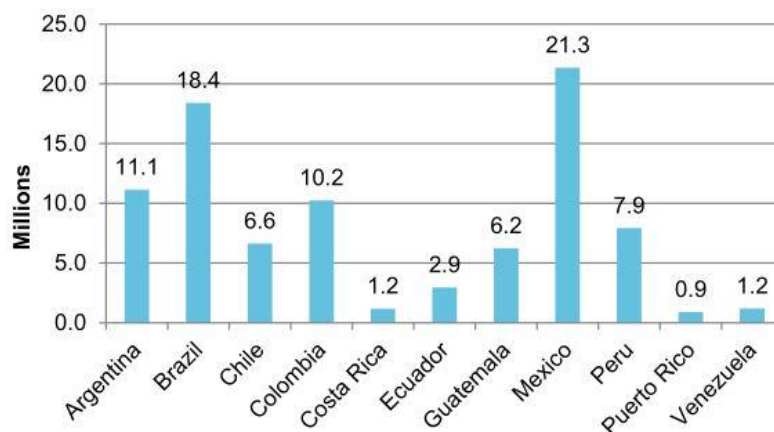


Figure 7: Total Attraction Attendance by Country, Latin America, IAAPA, 2016a

The direct revenues include admission fees, food and beverage sales, retail sales, and other sales at the attractions as well as visitors' off-site spending at hotels, restaurants, etc. According to Figure 8, across the 11 Latin American countries examined, this amounts to \$1.9 billion annually with Brazil leading in revenues at \$681 million, followed by Mexico at \$530 million (IAAPA, 2016a).

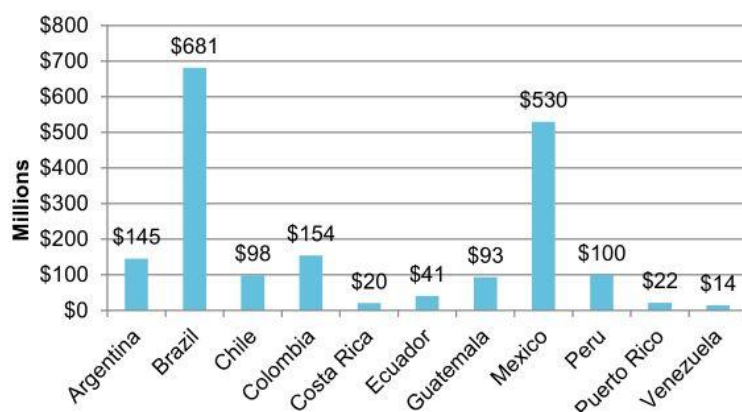


Figure 8: Direct Revenue by Country, Latin America, IAAPA, 2016a

In addition, as shown in Table 18, there is an estimated total of 98,208 jobs as a direct result of the attractions industry across the 11 countries mentioned. These jobs are both at the attractions and their affiliated hotels and at off-site locations serving visitors (hotels, restaurants, etc.). The estimated total employment is approximately 143,000 based on both direct and indirect employment (IAAPA, 2016a).

Table 18: Direct and Total Employment by Country, Latin America, IAAPA, 2016a

	Direct Employment Impacts	Total Employment Impacts
Argentina	9,523	13,946
Brazil	27,965	45,358
Chile	6,037	9,304
Colombia	9,965	14,316
Costa Rica	1,520	1,968
Ecuador	3,125	4,165
Guatemala	6,272	8,354
Mexico	22,945	28,528
Peru	7,326	10,786
Puerto Rico	1,634	3,445
Venezuela	1,896	2,509

Source: IAAPA; AECOM, 2016

Across all the eleven countries, there is a total of \$3.6 billion of total economic impact attributable to the amusement/attractions industry. As with direct revenue impacts, Brazil leads in total revenue impacts at \$1.4 billion, followed by Mexico at \$840 million, and Colombia at \$277 million (IAAPA, 2016a).

Collectively, the 11 countries contributed \$844 million in taxes to their economies annually. This included employment taxes, sales taxes, and corporate taxes based on total economic impacts. This does not include other taxes and fees that may be paid to government at various levels, including Federal, State, and Local taxes, such as capital gains, real estate/property taxes, and other fiscal revenue sources are also paid by the attractions industry (IAAPA, 2016a).

To summarise, according to the above mentioned, and Table 19, the Latin American amusement/attractions market provides more than 142,000 jobs and pays over \$844 million in taxes in the region, and also entertains almost 90 million guests annually.

Table 19: Total Annual Impacts for Latin America Region (11 countries), IAAPA, 2016a

<b>Impact</b>	<b>Amount</b>
Total Attraction Attendance in millions	87.9
Direct Employment Impacts	98,208
Total Employment Impacts	142,679
Direct Revenue Impacts in million \$	\$1,898
Total Revenue Impacts in million \$	\$3,596
Taxes Paid in millions \$	\$844

Source: IAAPA; AECOM 2016

### 6.1.1 Brazil

The Brazilian attractions industry is the largest by revenue in Latin America. In 2015, Brazil had a total of 86 establishments, with approximately 18.4 million visitors. Its largest parks include Thermas dos Laranjais, Hopi Hari, Beto Carrero World, Hot Park Rio Quente, and Beach Park. In 2015, the Brazilian industry generated an estimated \$681.0 million in direct revenue impacts, of which, as shown in Figure 9, 42% was attributable to spending at attractions, 48% was attributable to visitor spending off-site, and 10 percent was attributable to on-site lodging revenues (IAAPA, 2016a).

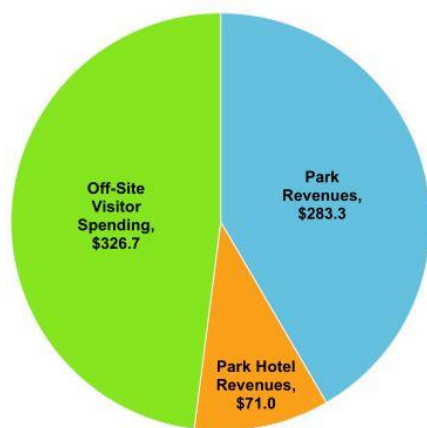


Figure 9: Revenue Sources of Brazilian Market in 2015, IAAPA, 2016a

The Brazilian attractions industry employed an estimated 11,110 in all establishments, while offsite visitor spending added an estimated 16,855 jobs in 2015 for a total of 27,965 direct jobs. Employees were paid an estimated \$81.9 million in direct compensation and offsite compensation was an estimated \$145.7 million over the year. In addition, it is estimated that the attractions industry had an additional positive impact of \$735.1 million on the Brazilian economy in 2015. This includes the operating costs of the selected attractions, such as goods and services, wages, capital expenditures, etc. (IAAPA, 2016a).

To conclude, the Brazilian attractions industry generated a total revenue impact of \$1.4 billion in 2015. In addition, the industry supported a total of 45,358 jobs and paid \$434 million in sales, corporate, and employment-related taxes (IAAPA, 2016a).



### 6.1.2 Colombia

The Colombian attractions industry is robust and an important contributor to the Colombian economy. Colombia had a total of 40 facilities, with approximately 10.2 million visitors in 2015. Its largest parks include Parque Mundo Aventura and Parque Recreativo Y Zoológico Piscilago. In 2015, the industry generated an estimated \$153.9 million in direct revenues impacts, of which, as shown in Figure 10, 74% was attributable to spending at the attractions and 26% was attributable to visitor spending off-site (IAAPA, 2016a).

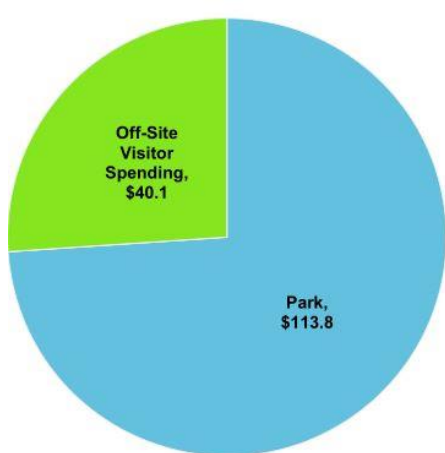


Figure 10: Revenue Sources of Colombian Market in 2015, IAAPA, 2016a

The Colombian attractions industry employed an estimated 6,787 in the establishments, while offsite visitor spending added an estimated 3,178 jobs in 2015 for a total of 9,965 direct jobs. Employees were paid an estimated \$32.4 million in direct compensation and offsite compensation was an estimated \$15.1 million over the year. In addition, it is estimated that the attractions industry had an additional positive impact of \$123.5 million on the Colombian economy in 2015. This includes the operating costs of the attractions, such as goods and services, wages, capital expenditures, etc. (IAAPA, 2016a).

To conclude, the Colombian attractions industry generated a total revenue impact of \$277.4 million in 2015. In addition, the industry supported a total of 14,316 jobs and paid \$70.1 million in sales, corporate, and employment-related taxes (IAAPA, 2016a).

### 6.1.3 Mexico

The Mexican attractions industry is the largest by size in Latin America, maintaining a total of 129 facilities, with approximately 21.3 million visitors. Its largest parks include Six Flags Mexico, La Feria de Chapultepec, Parque Plaza Sesamo, and Xcaret. In 2015, the industry generated an estimated \$529.7 million in revenue direct impacts, of which, as shown in Figure 11, 70% was attributable to spending at attractions, 26% was attributable to visitor spending off-site, and 3% was attributable to on-site lodging revenues (IAAPA, 2016a).

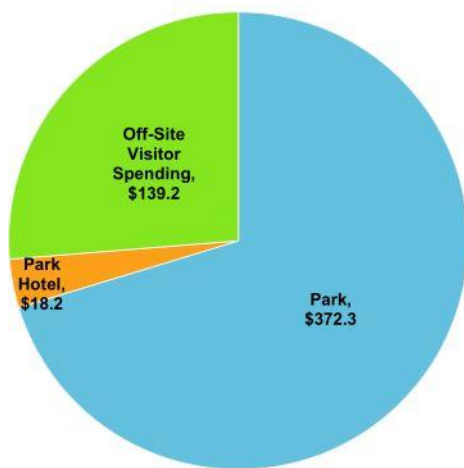


Figure 11: Revenue Sources of Mexican Market in 2015, IAAPA, 2016a

The Mexican attractions industry offered nearly 14,757 jobs in 2015, while offsite visitor spending added an estimated 8,189 jobs in 2015 for a total of 22,945 direct jobs. Industry employees were paid an estimated \$103.6 million in direct compensation, and offsite compensation was an estimated \$58.7 million over the year. In addition, it is estimated that the attractions industry had an additional positive impact of \$310.3 million on the Mexican economy in 2015. This includes the operating costs of the selected attractions, such as goods and services, wages, capital expenditures, etc. (IAAPA, 2016a).

To conclude, the Mexican attractions industry generated a total revenue impact of \$840.0 million in 2015. In addition, the industry supported a total of 28,528 jobs and paid \$140.7 million in sales, corporate, and employment-related taxes (IAAPA, 2016a).

## 6.2 Conclusion

The whole Latin American amusement/attractions industry is focused mainly on 3 countries. Mexico is leading the Latin American industry with 18 parks, attracting annually approximately 21 million visitors. Second comes Brazil with 13 parks and an annual visitor number of 18 million. Colombia has the same amount of parks as Brazil but attracts significantly less visitors (approximately 10 million visitors annually).

According to IAAPA estimates (2016c), the Latin American industry will experience a steady growth of 6.7% by 2020. Each of the three key players will see an average growth of approximately 6%. Mexico will continue to lead the region with 7.1% growth in spending up to 2020, Colombia will experience slightly more growth than Brazil, 6.1% and 6% respectively. Mexico will be the accommodating country of many new parks and attractions in the years to come, including an \$800 million-dollar park expected to open somewhere in 2018 (IAAPA, 2016c).

## 7 Analysis of the Asian and Pacific Area Industry

Theme park spending in Asia-Pacific rose an estimated 9.3% in 2015, down a bit from the 9.6% in 2014. Attendance was up 7.3% and per capita spending increased 1.9%. China led the way with a 24.7% increase, accounting for 68% of the total growth for Asia-Pacific in 2015. Probably, the slowing economy in China and the devaluation of the yuan helped grow its domestic theme park market since fewer people travelled abroad and more people visited local parks. In addition, there were 21 smaller parks that opened in 2015 in China (IAAPA, 2016c).

The decline in foreign travel by Chinese consumers came largely at the expense of Hong Kong, which relies heavily on tourists from the mainland. The Hong Kong theme park market was down 4.0% in 2015. South Korea, which also depends on Chinese tourism, had growth falling to 1.4% in 2015, its smallest gain during the past five years. Malaysia also has a tourist-based market and, although less affected than Hong Kong and South Korea, growth in Malaysia dropped to a five-year low at 4.8% in 2015. Japan, the second largest market in Asia-Pacific, had a good year with a 5.3% increase. Universal Studios Singapore also had a record year and spending in that country rose 11.2% (IAAPA, 2016c).

According to IAAPA (2016c), attendance is estimated to rise in Asia-Pacific at a 7.3% compound annual rate to 595 million in 2020. Asia-Pacific will account for 47% of global attendance in 2020, up from 42 percent in 2015. As shown in Table 20, per capita spending will rise at a projected 2.7% compound annual rate. However, the low standards of living in many Asian countries will hold back growth in per capita spending. In 2020, the average attendee will spend an estimated \$34.72 at theme parks. Overall spending will increase at a 10.1% compound annual rate, rising from \$12.7 billion in 2015 to \$20.7 billion in 2020 (IAAPA, 2016c).

Table 20: Attendance, Per Capita Spending, Total Spending in Asia-Pacific Market, IAAPA, 2016c

Theme Park Market by Category													
Asia-Pacific	2010	2011	2012	2013	2014	2015	2010–2015 CAGR	2016	2017	2018	2019	2020	2015–2020 CAGR
Attendance (Millions)	296.6	318.3	335.5	366.9	390.0	418.5		451.0	504.5	532.0	562.5	595.0	
% change		7.3	5.4	9.4	6.3	7.3	7.1	7.8	11.9	5.5	5.7	5.8	7.3
Per Capita Spending† (US\$)	27.00	27.35	28.27	28.98	29.89	30.46		31.14	31.75	32.79	33.74	34.72	
% change		1.3	3.4	2.5	3.1	1.9	2.4	2.2	2.0	3.3	2.9	2.9	2.7
Total Spending† (US\$ Millions)	8,008	8,705	9,486	10,633	11,659	12,747		14,045	16,017	17,444	18,976	20,661	
% change		8.7	9.0	12.1	9.6	9.3	9.7	10.2	14.0	8.9	8.8	8.9	10.1

Table 21 shows the total theme park spending broken down to each country. Japan is leading with nearly \$5.8 billion, and China ranked second with \$3.7 billion. Major new parks over the next five years will drive the theme park market in China. The first major park complex, Shanghai Disney Resort, attracted 1 million visitors in its first month of operations. China is expected to continue to be the fastest growing market in the Asia-Pacific region over the next five years with a projected 16.2% compound annual increase. In addition, Vietnam will experience growth of an estimated 14.9% compound annual rate with Six Flags entering the market there (IAAPA, 2016c).

Table 21: Theme Park Spending by Country in Asia-Pacific, IAAPA, 2016c

Theme Park Spending by Country† (US\$ Millions)											
Asia-Pacific	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Australia	357	360	417	424	432	439	454	473	496	519	544
China	1,811	2,117	2,219	2,562	2,993	3,733	4,639	5,905	6,448	7,240	7,897
Hong Kong	526	647	720	786	868	833	780	772	796	826	858
India	180	207	231	266	287	313	345	383	421	461	502
Indonesia	240	257	247	268	265	273	285	300	316	335	360
Japan	3,976	4,081	4,539	5,115	5,541	5,834	6,136	6,675	7,259	7,778	8,462
Malaysia	79	86	91	96	104	109	118	127	149	159	171
Philippines	85	92	103	98	105	114	122	134	147	162	178
Singapore	92	160	164	176	188	209	222	237	248	261	274
South Korea	597	628	679	761	790	801	850	911	1,057	1,121	1,296
Taiwan	35	38	39	41	44	45	46	47	49	51	53
Thailand	20	21	23	24	25	26	28	30	31	33	34
Vietnam	8	8	10	11	12	12	14	16	20	22	24
Rest of the Region	2	3	4	5	5	6	6	7	7	8	8
<b>Total</b>	<b>8,008</b>	<b>8,705</b>	<b>9,486</b>	<b>10,633</b>	<b>11,659</b>	<b>12,747</b>	<b>14,045</b>	<b>16,017</b>	<b>17,444</b>	<b>18,976</b>	<b>20,661</b>

In conclusion, the Asian industry will benefit from a number of major new parks and new attractions in the coming years. In China, more than 50 new parks are expected to open over the 2016-2020 period. In addition to the \$5.5 billion Shanghai Disney Resort in 2016, major openings include Polar Ocean Park in 2017, Haichang Dream World in 2018, and the \$8 billion DreamWorks Shanghai park in 2019. Six Flags broke ground for a new park in China in early 2016, with completion expected by 2019. Additionally, a Legoland park is expected in Shanghai, and Universal Studios is planning to open their Beijing park in 2020. In Japan, Huis Ten Bosch opened its robot kingdom in 2016 and Legoland Japan and Moomin World are scheduled to open in 2017. A Jurassic Park area is planned at Universal Studios Japan, while Nintendo Land is planned for 2020. Tokyo Disneyland and Tokyo DisneySea are planning major upgrades and new attractions by 2020 ahead of the Tokyo Summer Olympics in 2020 (IAAPA, 2016c).

## 8 Results

The amusement park industry is an integral part of the global travel experience and generates significant economic activity for destinations, as travellers spend money not only at attractions, but also at other local businesses, including hotels, restaurants, and retail establishments. It has been proved that the building of an amusement/theme park in various chosen areas, has boosted the local communities in different ways, directly and indirectly. Of course, the failing of a park can lead to negative impacts to the locations.

According to a research made by Penz & Rösch (2004), the most important factors that lead to a park's failure are: not appropriate theming, unspectacular attractions, insufficient gastronomy, poorly capacity management, contrary target markets, bad services and qualities, false pricing, not appropriate public relations and poor marketing strategies (Penz & Rösch, 2004).

According to an article written by Patrick Zimmer, Euro Disney failed because of planning and marketing. First, the executives adopted a very greedy strategy by buying all the surrounding land so no one else could benefit from the project. This action was not going to promote any local support and instead created a more "hostile" environment with the local community and the scale of the investment also isolated them more in the case of a failure. Finally, the idea was to market Euro Disney as a complete holiday package, encouraging people to stay in the hotels and eat all meals in the park. However, the location of the park contradicted with this since the travel time to Paris was 35 minutes and the hotel in Euro Disney cost as much as the best hotel in Paris, many people may prefer to stay overnight in the capital city (Zimmer, 2016).

Another obstacle that Disney faced when opening Euro Disney, was the uninviting winters in France. While the winter season in Florida and California (where the most parks are located) is experiencing good attendance, it seems that it did not work the same way in Europe. Another small issue with Euro Disney was its no alcohol policy that deterred adults from wanting to attend and bring their families. Disney Corporation failed to adapt to the French environment and to foresee the influences of foreign and domestic factors. Organization and management relied mostly on American cultures, experiences,

and understanding. By not identifying certain cultural differences, Euro Disney created an environment that was not acceptable by the European culture itself.

According to data collected from European parks by Pikkermaat and Schuckert (2007), at the top of the park manager's lists were (in this order): quality, safety, wide range of options & attractions, weather dependency, and branding. It was noticed that parks that were related to a product, or a brand (like Lego-Land) did not have branding high in their list, were parks that are not related to a product or brand had it higher in their list.

The main reasons amusement parks fail, according to the park managers, are more related to the traditional management issues (price, product, promotion, placement) in addition with finance and human resources. Failing happens when parks do not meet and customer expectations. This means that the product delivered misses excitement and adventure, and the parks lack of repetitive visits. Failing parks also miss the right marketing concept, wrong or non-existent branding, and incorrectly defined target groups (Pikkermaat, Schuckert, 2007).

Some key success factors of amusement/theme parks, according to Milman (2001) and Swarbrooke (2002), are:

- Multiple range of attractions
  - Parks will have to offer a wide range of attractions and possibilities which meet the demands and needs of the visitors.
- Uniqueness
  - The product/experience and attractions offered, will have to be clearly defined to show uniqueness against competitors and focus on the right segments of customers.
- Innovation
  - A continuous process of innovation and development, helps boost success against changing patterns of visitor behaviour and dropping customer loyalty.

The writer has added to this list of factors two more things, in order to have a complete customer experience that will continue, such as:



- Quality & Safety
  - Visitors expect high quality service in all areas of the theme park.
- Weather independency
  - Being able to operate under any weather conditions, ensure a continuous business and minimises loss due to environmental factors, which, in the writer's opinion is the biggest challenge for most parks.

## 9 Conclusion

The global amusement/attractions industry is very diverse. Each geographical region has own amusement park culture (somewhere strong, somewhere weak), different economies and government regulations, and most importantly, different amounts of population to support this industry. Answering the question of “**how much does the amusement industry affect the economies**”, Table 22 was created by the writer to help the readers understand the key differences between these regions.

Table 22: Geographical Areas Compared by Attendance, Spending, Employment & Taxes

	Asia/Pacific	Europe	US/Canada	Latin America
Attendance (millions)	418.5	165.5	388.1	30.8
growth	7.3%	2.9%	4.4%	0.3%
Per Capita Spending (US\$)	30.5	36.98	54.28	10.97
growth	1.9%	0.4%	3.2%	3.6%
Total Spending (millions)	<b>12.747</b>	<b>6.121</b>	<b>21.155</b>	<b>338</b>
growth	<b>9.3%</b>	<b>3.3%</b>	<b>7.7%</b>	<b>4%</b>
Employment	n/a	110.000	1.2 million	98.000
Paid Taxes (millions)	n/a	n/a	8.500	644

With the Asian/Pacific industry ranked first in yearly attendance (418 million visitors) and a very promising annual growth in attendance of more than 7%, it seems that the amusement/attractions industry in Asia is taken really seriously, and park managers are doing an impressive job on attracting, and most importantly sustaining visitors. US/Canadian industry ranked as second (388 million visitors) is the next most significant industry that also experiences an annual growth of more than 4%. In addition, due to the stronger economies of the US/Canada, the per capita (and total) spending is the highest globally. Moreover, the North American industry is ranked first when it comes to employment, having more than 1.2 million people working directly and indirectly for the industry (more than other key industries in the US). As expected, with such and active and successful attractions industry, the federal and state taxes paid from the US parks are more than \$8.5 billion in total, having one of the biggest impacts in the regional economies.

Regarding the second research question, SWOT analysis Table 1 in chapter 3 answers **what makes amusement parks succeed or fail**. The key elements that help to

achieve success are: brand loyalty, uniqueness of product, and innovating technology. Some key factors that could lead to amusement park failure are: slow adaptation to technology trends, operational costs, failure to react to high demand, and amusement park accidents.

### 9.1 Future of the Amusement/Attraction Industry

According to IAAPA, global theme park spending totalled an estimated \$40.4 billion in 2015, up 7.4% from 2014. Growth was largely the result of a 5.2% increase in attendance, the largest gain during the past five years, helped by the introduction of popular attractions. Per capita spending rose 2.2% in 2015, the smallest gain since 2011, principally reflecting slower growth in Europe and the United States, and the growing share of China, which has a lower cost structure. China's share of global theme park spending rose from 8.0% in 2014 to 9.2% in 2015 (IAAPA, 2016c).

According to Table 24, a survey made from IAAPA in 2015 showed that the overwhelming majority of respondents (90%) expect strong (more than 15%) or moderate growth (more than 5%) for the amusement park industry in 2016. And the overwhelming majority of respondents (89%) also expect strong (more than 15%) or moderate growth (more than 5%) for their own facility in 2016. When the respondents were asked why they believe that, they answered that the economic conditions are helping the industry in general, and second biggest reason was the acquisition of a new attractions (IAAPA, 2016b).

Table 24: Growth Estimates for Parks, IAAPA, 2016b

What do you think the outlook for your park is for 2016?	In which country or region is your operation located?							
	North America		Latin America/Caribbean		Europe/Middle East/Africa		Asia/Pacific	
	Count	%	Count	%	Count	%	Count	%
Strong growth (more than 15 percent)	14	26%	3	20%	4	11%	7	41%
Moderate growth (5 percent)	36	67%	6	40%	29	83%	9	53%
No growth	3	6%	3	20%	1	3%	1	6%
Moderate decline (5 percent)	0	0%	3	20%	1	3%	0	0%
Significant decline (more than 15 percent)	1	2%	0	0%	0	0%	0	0%
<b>TOTAL</b>	<b>54</b>	<b>100%</b>	<b>15</b>	<b>100%</b>	<b>35</b>	<b>100%</b>	<b>17</b>	<b>100%</b>

Milman (2001) interviewed 122 North American amusement/theme park managers about the parks' succeeding (or not) from a management perspective. The interviewees estimated that the family market will continue as the core of the industry, attractions will become more service-orientated and visitors will demand more active than passive interaction.

Based on IAAPA research results, it is expected that the amusement/theme park industry will grow rapidly over the next years. Changes will affect each case differently, depending on the geographical area, the characteristics of the parks, the weather, the strategies of the CEOs, and the type of products/services they offer. They will be the result of changes to the consumers' motivations, of the growing importance of the concept of value for money in the consumer decision-making process, promotion and commercialization, of the change in new technology, of the importance of service quality-related matters.

As shown in Table 25, it is estimated that the global theme park market will see an increase of approximately 4.8% in attendance, 2.6% increase in per capita spending, and 7.5% increase in total spending, by 2020 (IAAPA, 2016c).

Table 25: Global Theme Park Market by Category, IAAPA, 2016c

Global Theme Park Market by Category													
Category	2010	2011	2012	2013	2014	2015	2010–2015 CAGR	2016	2017	2018	2019	2020	2015–2020 CAGR
Attendance (Millions)	830.5	867.3	893.6	931.2	956.5	1,005.8		1,053.7	1,126.5	1,171.8	1,218.7	1,268.9	
% change		4.4	3.0	4.2	2.7	5.2	3.9	4.8	6.9	4.0	4.0	4.1	4.8
Per Capita Spending† (US\$)	34.53	35.25	36.50	37.99	39.28	40.13		41.07	41.82	43.09	44.34	45.71	
% change		2.1	3.5	4.1	3.4	2.2	3.1	2.3	1.8	3.0	2.9	3.1	2.6
Total Spending† (US\$ Millions)	28,674	30,575	32,614	35,379	37,568	40,362		43,279	47,111	50,489	54,034	58,001	
% change		6.6	6.7	8.5	6.2	7.4	7.1	7.2	8.9	7.2	7.0	7.3	7.5

More specifically, Table 26 shows that the Asian industry will experience the biggest growth (approximately 10%), followed by Latin America (6.7% growth), North America (6.1% growth), and Europe (5.3% growth). It is understandable that Asia and Latin America have bigger growth, since their market was smaller and there is a lot of space for expansion.

Table 26: Global Theme Park Market by Region, IAAPA, 2016c

Global Theme Park Market by Region† (US\$ Millions)													
Region	2010	2011	2012	2013	2014	2015	2010–2015 CAGR	2016	2017	2018	2019	2020	2015–2020 CAGR
Asia-Pacific	8,008	8,705	9,486	10,633	11,659	12,747		14,045	16,017	17,444	18,976	20,661	
% change		8.7	9.0	12.1	9.6	9.3	9.7	10.2	14.0	8.9	8.8	8.9	10.1
Europe	5,121	5,432	5,452	5,635	5,925	6,121		6,352	6,665	6,985	7,348	7,932	
% change		6.1	0.4	3.4	5.1	3.3	3.6	3.8	4.9	4.8	5.2	7.9	5.3
North America	15,215	16,077	17,306	18,718	19,566	21,068		22,405	23,752	25,187	26,680	28,278	
% change		5.7	7.6	8.2	4.5	7.7	6.7	6.3	6.0	6.0	5.9	6.0	6.1
Latin America	278	288	287	305	325	338		359	381	412	438	468	
% change		3.6	-0.3	6.3	6.6	4.0	4.0	6.2	6.1	8.1	6.3	6.8	6.7

## 9.2 Recommendations for Further Research

Unfortunately, the amusement/attractions industry lacks deep researches. There are only a couple of organisations that deal with yearly reports and benchmarks (IAAPA, TEA, etc.), but there is no thorough analysis of the global industry.

Even though this is a multibillion-dollar industry that employs millions of individuals and is based on sentiments and emotions, there is still a lot to learn and there is plenty of space for growth. Still there are mistakes happening, and wrong decisions being made in many parks, therefore, some subjects that further study is needed, are:

- a. **landscape choosing criteria**
- b. **how to successfully deal with culture**
- c. **emerging economies** (Asian market)

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