Tourism Marketing and Management Handbook

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Theme and leisure parks

Introduction

The concept of the recreation park is fairly old. In Europe, the birth of this concept was seen during the eighteenth century, when large royal parks (Versailles, near Paris or the Prater, in Vienna) started to be equipped with either short-lived or permanent attractions. Other roots include the popular fair, whose modern aspect, the fun fair, is directly in competition

with the theme parks.

During the nineteenth century, the United Kingdom saw its seaside resorts being gradually equipped with attractions on the piers. It was in the United States, however, that the first series of parks with popular attractions developed in urban outskirts. Prototypes located around New York were Coney Island (1887) or Steeplechase Park (1897, still in operation), and the number of parks was approximately 1,500 in 1920, including the famous Luna-Park (1904), which was the first theme park. The lack of renewal of the product - classical merry-go-rounds - during the 1930s economic crisis was the cause of the decline of most of these centers.

A new breath came with Disneyland in Los Angeles in 1955. The 17 attractions, endowed with the emblems of Walt Disney's characters, created an immediate and durable success, with returns two to three times over the most optimistic estimates. Thirty years later, Disneyland has 57 attractions and around 10 million visitors annually. The park initiated the establishment of nearly 400 restaurants and 12,000 rooms in 130 hotels. Here is the first main application of the theme park principle: to motivate visitors (especially families) during one day or more. To do this it is necessary to make them dream ('I want the public to feel they're in another world' Walt Disney). The subconscious and the imagination of people is caught through the variation of one theme in a series of subthemes and the multiplicity of sideshows whose scenic arrangement is organized in minute detail.

Today, there are almost 2,000 leisure parks in the United States, of which two are mega-parks (Disneyland and Disney World in Florida) and 38 are large regional parks (e.g. the Six Flags programs, Cedar Point, and Seaworld). In Europe there are at least 20 large parks already in existence or still being developed: Phantasialand, near Köln (West Germany), De Efteling (Netherlands), Walibi, near Brussels (Belgium), the Jardin d'Acclimatation, Mirapolis and Disney in Paris (France) etc. The recreations park format is not exclusive - animal parks, sports/leisure parks, aquatic parks, floral parks and open-air museums also can be included as leisure parks. A general definition of the leisure parks could be: a site, uniting in a single enclosure, a series of attractions and activities and completed with a number of important side services such as cafeterias, restaurants, shops and lodgings.

Such attractions contribute to tourism development. The leisure parks are able to increase tourist spending locally by generating specific flows or by extending the length of the visitors' stay. It is very important, however, to ensure a basis of local customers in considering the location of a park. It must benefit the urban region or the existing tourist destination.

The scale of influence determines the portion of activity devoted to the local community and to domestic or international tourism. Most of the parks share the following characteristics:

1. The presence of huge parking lots (0.5 to 1.0 hectare of parking space for 1.0 hectare of attraction) in relation to the proportion of bus travelers and families.

2. Areas between 20 and 50 hectares devoted to the attractions

alone.

If we consider the investments and the attendance, however, the similarities end:

- 1. Exceptionnal programs with an international influence, like the Disney mega-parks have an annual attendance which may be over 10 million (23 million in 1983 for Disneyworld-Epcot, Florida, with a turnover of more than US\$600 million); these programs need 10,000-20,000 permanent salaried personnel and now require initial investments more than the \$1.5 billion which the complex of Disney World-
- 2. Programs of regional interest (in the United States) or national interest (in Europe) correspond to an annual attendance of 1-4 million; 100 to 300 permanent salaried personnel are needed, to which are added 300 to 700 temporary personnel at certain periods; these programs require an initial investment of \$50 to 100 million, for a turnover worth \$15 to \$50 million.
- 3. Programs of local interest (or regional in Europe), correspond to an annual frequenting of approximately 100,000-500,000 people; they employ 50 to 100 salaried personnel

and require an initial investment of \$5 to \$15 million, for a turnover worth \$2 to \$5 million.

Marketing and management

In the case of the construction of a large park, the governments are concerned about the following:

- 1. The entertainment for and image of the city or the region.
- 2. The economic returns and job creation.
- 3. The need for new or reinforced public infrastructure.
- 4. The impact on the landscape.

It is now easy to understand that in certain countries or for certain programs there is a question of choice to be made between a public utility service management, and a profitoriented company management, or an intermediary system.

Considering a public utility service management, the decision to minimize the costs in order to deliver a defined social benefit is possible only if a clear definition of the objectives is set. The traditional inclination of the public service management to create a free or semi-free access is not without danger in a business whose costs are far from being insignificant. They include: the investments for renewal of the attractions; the maintenance costs; the costs of reception and monitoring in order to avoid disorder and pillaging. Therefore, even an entirely publicly-funded enterprise will need to set up, a certain number of private businesses which pay a rental fee or a fraction of the maintenance costs, and contribute through their effective presence to the activity, the reception and the security.

The path is then set toward a management working on two levels:

- Overall management, which may be public or private, responsible for the basic equipment and the common shared spaces, the park's marketing, the general pricing, the general activity and surveillance etc.
- Distributed management, in which each activity or service is run by legally independent entities, usually small private companies.

A thorough study of the potential clientele and of its conditions of mobilization is necessary to the success of a leisure park. Added to a precise definition of the side services, the study must define three major factors:

- The open season, which should be as long as possible to justify a heavy investment.
- The maximum possible attendance during the peak vacation season, so that space and activities can be organized accordingly.
- 3. Pricing thresholds.

Marketing techniques vary from product to product and according to the segments of clientele:

- The approach to the tourist clientele, especially from abroad relates to the general scheme of tourism marketing; in this field, the marketing is set through tour-operators and packages including lodging.
- 2. The regional clientele requires a different approach, relying

upon the density and the characteristics of a population living in a given area; one must specify that approximately 80 per cent of the clientele visiting a regional park live within a 2-hour car drive of the site; here the marketing is based on the direct motivation of families, the contact with bus tourists and the mobilization of groups such as schools, companies' welfare activities, youth organizations etc.

- The parks specializing in sports are aimed mostly at local clientele but require specific precautions such as:
 - (a) an analysis of the demand for the various types of activities;
 - (b) an adequate definition of the standard of the activities offered;
 - (c) a correct account of the role played by sports' associations in the enrolement of the participants and in the operation of the equipment.

A park's popularization also relies upon the organization of large entertainments in order to get a large editorial impact in the media (sports parks), as well as strong and repeated advertising campaigns which may absorb as much as 10 per cent of the returns of a theme park.

For reasons of equity and management efficiency, the pricing is almost always divided into entrance fees and additional charges for certain services, attractions or activities. In a theme park, the entrance ticket usually opens a right to all of the attractions, but the shops, the drinks and restaurants, which represent 30 to 40 per cent of the total returns, are managed separately. It is interesting to set up systems which encourage attendance during the less popular periods or days, such as groups pricings or, for sports parks, season tickets. The overall pricing strategy must tend to ensure a profitability rate in the short and long term of the capital invested in a private profitoriented perspective, but the strategy might also limit itself to ensuring all or merely a portion of the maintenance costs, in the case of public investments.

Implementation

Programming

The key problem of programming lies in assembling around a few leading elements, a mix varied enough to be attractive, and coherent enough to promote a strong image of the park.

The supporting services will include, at least, cafes and bars, and restaurants and shops adapted to the volume and characteristics of the clientele. Integrated lodgings (also adapted) may be required in several cases, e.g. for international attendance, top level sportspersons, residential workshops etc.

Costs

The very essence of the parks (ground surface and the need for a quality image) implies that two items require specific attention. They are, on the one hand, the basic equipment (parking, roads, watering systems...) and on the other hand, the landscape architecture (land movements, plantings, ornamental lakes...). Grouped together, these two items make for approximately 20 to 30 per cent of the initial investment.

Another crucial item is related to the attractions and involves a series of techniques emanating from film and television studios: staging, animated scenarios, electronic regulations and commands etc.

Financing

The basic equipment pays off over a very long period, but the attractions are perishable products, characterized by a very rapid ageing. The need to hold the public's attention through new attractions requires the provision of an annual renewal investment, worth between 5 and 10 per cent of the initial investment.

A constant problem lies in the division of the investment between public and private. As a minimum, the public investment should concern the services – access roads and drainage, for example. Yet, in a number of cases (local parks, sports' facilities etc.), one may assume that a large part of the initial financing came from public funds.

Architectural and landscape design

The general space design must consider two important points:

- The waiting time at the entrance gate, at the various attractions and at the restaurants. Measured for a standard day during the high season, these waiting times must stay within bearable limits while emphasizing the crowd effect, because the entertainment comes from the park and the crowd.
- The need for land reserves, within or next to the park, which will provide for new and enriched attractions, in the medium and long term.

Concerning the architectural and landscape design, the dominance of amusement and playing themes tends to exclude anything resembling suburban architecture. Two methods exist which classically help solve the difficulty: dream architecture with exuberant artefacts, particularly for theme parks; a sober design which is in keeping with the regional traditions, which recalls a fashionable countryside and tries to endow large equipment with a warm and attractive appearance.

Assessment

A park development raises, from the first sketches, a certain number of specific questions which continue to be pertinent to further management. Which type(s) of attractions or activities, what scale of influence is planned? How does the park fit into regional development? What should be the proportion of regional and tourist clientele? What are the characteristics of various segments of the potential clientele, in terms of leisure? Considering the tendencies of the concurrence, what share of the market is to be expected?

Once the product and the clientele targets are determined, the park must be built and operated. Are the attractions, the activities and the services mutually reinforcing to form a coherent mix? Are the physical programming and the cost estimates precise and reliable? How much flexibility of the product has been maintained in the medium and long term? Are the private and public responsibilities clearly defined, and have the various financing sources been combined in an optimal way? Considering the park operation, how are the various managements articulated? Is the park's management able to ensure both the technical maintenance and the answers to the evolution of the demand? Are the number and quality of the personnel adapted to the objectives? What is done to develop flexibility, initiative and the sense of hospitality? In terms of its principles and value thresholds, does the pricing correspond to marketing objectives and expected recovery rates? How and through what means will the park's image be marketed? What are the future plans to develop the activity beside the natural peaks of the demand?

Conclusion

The best parks aren't necessarily those whose access is expensive, nor those free or practically free. The successful programs are those which satisfy the following criteria:

- 1. Add to the quality of life in an area.
- Increase the prestige and attractiveness of a tourist destination.
- 3. Use, largely or totally, self-funding for investment.
- 4. Create revenue and jobs.

Such programs reveal a know-how which may be valued in different ways (e.g. consultation by others or creation of a chain of parks).

At the cross-point of dreams in practices and techniques, the theme and leisure parks probably make up a product of the future. Following a period of intensive construction, it is now time to imagine that a period of selection through competition will occur. It is often assumed that a part of the initial investment could be paid by public funds, for example through a partial or total payment of the land acquisition costs; however, the reliance on the taxpayer should not become a management principle. In the absence of private funds, there is a risk of having to manage a distribution of scarcity, the consequences of which would rapidly become apparent in the quality of the product. The management should therefore sponsor a flexible and objective study of the market in order to define and establish products ensuring good return rates.

An arrangement associating an organization (public or not), owner of the basic equipment, and one or more operators, leaseholders, may prove to be pertinent. A setting of this type allows for diversification of the initiatives, while still maintaining control over the whole program.

Finally, another major condition of success is the assembly of competent and motivated operating and managing personnel.

Focus on small business

Large leisure parks contribute to the creation or development of a quantity of small businesses, 1. by requiring all sorts of tradesmen for operation and maintenance, and 2. by creating the opportunity of setting, within the park or nearby, a series of small service businesses in the field of tourism and leisure.

Moreover, it must be emphasized that due to a limited surface area, to the nature of the activities (e.g. aqualands), or to the scarcity of attractions, a great number of parks are small businesses themselves, in terms of their turnover and the number of employees. These businesses may focus on a local clientele or complete the range of attractions of a tourist resort. Their relatively modest size is not a reason to dispense with the need for strict management and marketing adapted to the situation.

Further reading

- Bovaird, A. G., Tricker, M. J. and Stoakes, R., Recreation, Management and Pricing (Gower, 1984). The authors address the wide variety of countryside recreation facilities (leisure parks only indirectly, giving relevant observations about pricing techniques (Chapters 1 and 8)).
- Coltier, T., 'Les parcs à thème', Espaces, no. 73 (April 1985), pp. 18-21; no. 74 (June 1985), pp. 24-7; no. 76 (October 1985), pp. 11-13. Extracts from a doctorate thesis, the three articles present a history of theme parks, an analysis of their content and an approach to the management problems.
- Coronio, G. and Muret, J. P., Loisirs, Guide Pratique des Equipements (Centre de Recherche d'Urbanisme, 1978). With a great number of concrete examples concerning costs, attendances and usual management principles, this book is still the best introduction, in French, to

- the knowledge and conception of leisure equipment.
- Farrel, P. and Lundegren, H. M., The Process of Recreation Programming: Theory and Technique (John Wiley, 1978). After an analysis of the groupings of activities, the authors focus the conclusion on a range of areas to be evaluated, such as leadership, program philosophy and goals and physical planning processes.
- Heskett, J. L., Managing in the Service Economy (Harvard Business School Press, 1986). Even though the author never directly discusses parks, the management principles and concepts discussed in Chapters 1, 2, 3 and 4, must be considered as perfectly relevant (targeting the market segment, clearly defining the product etc.).
- Kraus, R. G. and Curtis, J. E., Creative Administration in Recreation and Parks (Mosby Co., 1973). The book deals with the physical, sociological, methodological and administrative conditions for developing
- Patin, V. and Bauer, F., Les Parcs Recréatifs en France (DATAR, 1986). Through a series of variables such as the initial investment, pricing and attendances, the study conducts a comparative analysis of the major parks, not only in France but also in Europe and North America. Also present is an analysis of the demand for types of product.
- Rougerie, J., Ruob, J. M., Van Yan, T. et al., 'A thème ou Aquatiques', Paysage Actualité, no. 91 (October 1986), pp. 32-65. A series of case studies concerning parks, still as projects or under construction, in France.
- Zehnder, L. E., 'The costs and benefits of tourism an analysis of Florida's Disney World', Congrès de l'AIEST 1982 (*Publications de L'AIEST*, 1982), pp. 81–95. A case study of the most visited park in the world: initial investment and the first 10 years of operation.

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