PRICEWATERHOUSECOOPERS

Hospitality Directions Europe Edition

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European Theme Park Wars: Hotels Help Refresh Park Revenues

PricewaterhouseCoopers Theme Parks and Accommodation Survey 2004

Summary

Hotels are becoming a hot topic for Europe's theme parks as more operators contemplate, initiate or complete in-park hotels. Although the European theme parks sector continues to grow, the marketplace is crowded and the going is getting tougher, with growth rates (revenue and admissions) slowing. Operators are searching for ways to gain a competitive edge, to generate new revenue streams and for ways of 'sweating' their existing assets even harder. Success increasingly depends on maximising revenues and managing operational leverage and capital expenditure. Much future growth in the sector will be driven by new supply coming on-line and existing parks need to attract new visitors, to persuade existing visitors to stay longer and spend more, and importantly to come back again.[1] By adding hotels operators hope to create short break destination resorts rather than 'just' attractions. Developing conference and meeting facilities means they can also tap into the corporate sector off-season.

In 2003 alone over two thousand rooms in seven hotels were added by Europe's top theme parks, including Hotel Phantasia, near Cologne; Tussaud's new water park hotel, Splash Landings at Alton Towers; three Disney Partner Hotels including MyTravel's Explorers Hotel and Blackpool Pleasure Beach's the Big Blue Hotel. More will open in 2004 and 2005 including Europa-Park's Roman themed Colosseo Hotel (2004) and Efteling's Dreamworld (2005).

This article highlights the results of PricewaterhouseCoopers research into accommodation development at 28 top theme parks in Europe, conducted in January 2004. The research found 14 parks with accommodation, including 29 hotels and 10,015 rooms. Another 15 parks had no accommodation (yet). This article analyses what operators are trying to achieve, current development trends and the future outlook for development, theming and corporate markets. Our research suggests parks are overwhelmingly positive about developing hotels, believing accommodation on site helps keep customers satisfied by providing an entire experience; that a hotel can stimulate new revenue streams, improve length of stay on-site and allow parks to tap into the short breaks and corporate market.

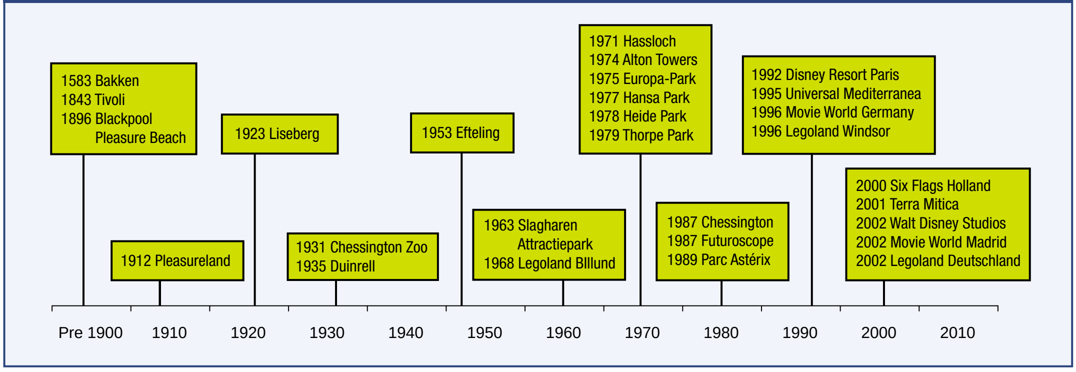
1 In six European countries (Italy, UK, Germany, France, Netherlands and Spain - accounting for over 80 per cent of overall Western European Entertainment and Media spending in 2002). Source: PricewaterhouseCoopers Entertainment and Media Outlook 2003-2007, Europe Volume, Theme Parks

Background

The European Theme Park Sector – Overcrowded and Highly Competitive

Rooted in the 'pleasure parks' which were constructed in many European capital cities at the end of the nineteenth century e.g. Vienna's Prater Park and Denmark's Tivoli Gardens, theme parks have proliferated in Europe for many years. Efteling opened in the Netherlands in 1952 based on a theme of European fairy tales and Bakken in Denmark has origins that date back to the sixteenth century. Modern theme parks began to be developed in the 1960's and 1970's driven by increasing car ownership and mobility, growing disposable incomes and leisure time. Further development took place in the 1990's and 2000-2002; Europe's largest park, Disneyland Park in Paris opened in 1992. See Figure 1. As a result of this development pattern Europe has a mixture of old and more recently-built modern theme parks, a situation that has led to a crowded and increasingly competitive marketplace.

Figure 1: When Were Europe's Theme Parks Developed?



Source: PricewaterhouseCoopers Theme Parks and Accommodation Survey, 2004

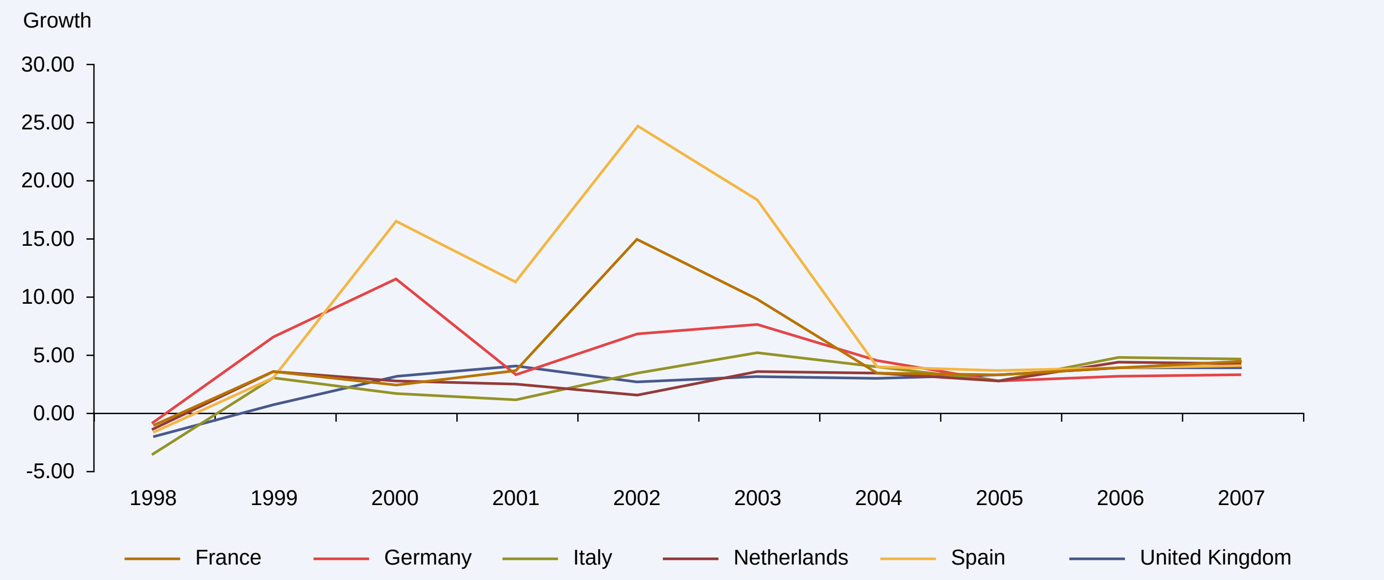
There are around 300 theme parks in Europe. Table 1 shows Europe's top theme parks in terms of visitor

Table 1: Top Theme Parks in Europe

Theme park	Country	Year of opening	Attendance (2002)	Attendance (2003)
Disneyland Park, Paris	France	1992	10,300	10,230
Blackpool Pleasure Beach	UK	1896	6,400	6,200
Tivoli	Denmark	1843	3,700	4,050
Europa-Park	Germany	1975	3,500	3,600
Universal Mediterranea	Spain	1995	3,200	3,500
Liseberg	Sweden	1923	3,064	3,223
Efteling	Netherlands	1952	3,465	3,200
Gardaland	Italy	1975	2,900	2,950
Bakken	Denmark	1583	2,500	2,700
Alton Towers	UK	1974	2,500	2,500
Walt Disney Studios Park	France	2002	2,800	2,200
Pleasureland	UK	1912	2,000	2,200
Phantasialand	Germany	1967	2,000	*2,100*
Terra Mitica	Spain	2001	2,000	1,950
Parc Astérix	France	1989	1,800	*1,800*
Warner Bros Movie World, Germany	Germany	1996	1,850	1,750
Legoland Billund	Denmark	1968	1,585	1,630
Warner Bros Movie World, Madrid	Spain	2002	1,950	1,500
Futuroscope	France	1987	1,553	*1,500*
Hansa-Park	Germany	1977	1,500	*1,500*
Thorpe Park	UK	1979	1,200	1,500
Legoland Windsor	UK	1996	1,460	1,350
Heide Park	Germany	1978	1,500	1,300
Legoland Deutschland	Germany	2002	1,300	*1,300*
Duinrell	Netherlands	1935	1,250	*1,300*
Holiday Park	Germany	1971	1,220	1,200
Chessington World of Adventures	UK	1987	1,200	1,200
Slagharen Attractiepark	Netherlands	1963	1,200	*1,200*
Six Flags Holland	Netherlands	2000	1,200	1,100

Source: PricewaterhouseCoopers Theme Parks and Accommodation Survey 2004, Amusement Business.
All visitors in 000s. Figures in italics are estimated (from prior year's attendance or from parks)
Universal Mediterranea includes visitors to Costa Caribe. Chessington was formerly open as a zoo (1931) but opened as a park in 1987
Six Flags Holland was formerly Walibi Flevo but opened as Six Flags Holland in 2000 after takeover

Figure 2: Theme Park Revenue Growth



Source: PwC Entertainment & Media Outlook 2003-2007

numbers, each park having more than 1.1 million visitors in 2003. The largest single theme park (by some margin) is Disneyland Park Paris with more than 10.2 million visitors (in addition Walt Disney Studios Park received 2.2 million visitors), followed by Blackpool Pleasure Beach with 6.2 million visitors and Tivoli Gardens in Denmark with 4.1 million attendees.

To achieve success in such a crowded and competitive market, Europe's theme park operators need to attract more visitors, drive up revenues and per capita spend, and control capital expenditure effectively.[2] Geographically, some markets are more mature than others, for example the UK is now a relatively mature market and competitor pressure is tougher. Southern Europe offers higher potential growth levels and in the longer term Eastern Europe also offers opportunities.

- **Attracting high admission numbers**
  Attracting more visitors is getting harder. In 2003, Europe's top ten theme parks had 40 million visitors, compared to 41 million visitors in 2002, a 2.5 per cent decline. The economic slump, the Iraq War, and Europe's summer heat wave all contributed to the decline. However, despite the difficult leisure operating environment over the past three years, some parks managed admissions growth. Estimates show parks such as Tivoli in Denmark, Efteling in Netherlands, Gardaland in Italy and Legoland Billund reported increased attendance.[3] However as Table 1 demonstrates, many reported disappointing attendances, notably Disneyland Resort Paris, partly because of the opening of Walt Disney Studios Park. Similarly, although the number of admissions per head has continued to increase in Europe, a slowdown in future openings means only modest growth is likely for admissions per capita in the future.

- **Driving up revenues and average per capita spend**
  Recent revenue growth was largely driven by new supply coming on-line and higher ticket prices. New parks tend to charge higher entrance fees than existing parks, leading to a jump in average spending per attendee when new parks open. In the future fewer planned new parks mean annual growth levels will start to reduce and the parks will need to 'persuade' visitors to stay longer and spend more. Although revenue continues to grow, with fewer new parks opening, annual growth levels will start to reduce. See Figure 2. Nevertheless most future growth will continue to take place through new park openings and the introduction of higher ticket prices at these parks.

  As a result, increasing average spend levels is a particular challenge for operators. Some parks are looking to increase tertiary spend through a range of facilities including in-park hotel development. Hotel development may help operators by extending the average length of stay through persuading visitors to extend a day visit to a short break or even attract corporate business. A growing number of European parks open during the winter periods. Spending per attendee is expected to rise to by an average 1.8 per cent compound annual increase over the five years to 2007.

- **Managing capital expenditure effectively**
  Growing investment is needed by the parks for new innovative rides, facilities and consumer 'experiences'. The need to make existing assets 'work harder' is essential for operators. The development of hotels on-site can help leverage existing land or buildings.

2 PricewaterhouseCoopers Entertainment & Media Outlook 2003-2007 covers these issues in more detail.
3 Op cit 1

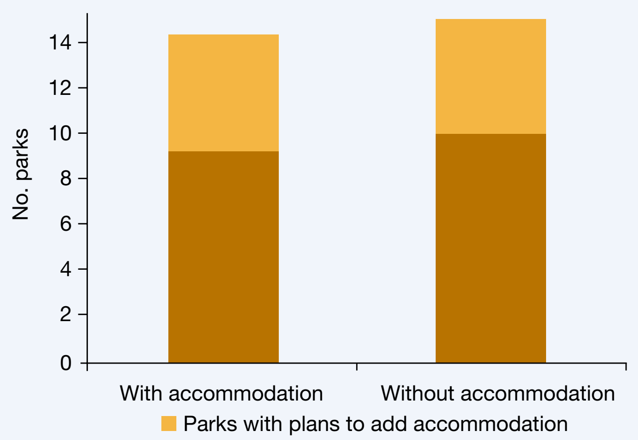
Accommodation Supply at Europe's Theme Parks

Hotels Dominate Accommodation Provision with 29 Hotels and 10,015 Rooms

To what extent have Europe's theme parks recognised the value of developing accommodation? Our review of the top 28 European theme parks shows:

- 14 parks have accommodation on site, 5 of which have plans to add further facilities
- 15 parks have no accommodation on site, 5 of which have plans to add facilities

Figure 3: Top 28 European Theme Parks



Source: PricewaterhouseCoopers Theme Parks and Accommodation Survey, 2004

The 14 parks with accommodation provide a total of 33 establishments with 11,821 rooms; excluding campsite spaces but including hostels. However, the majority of the accommodation in theme parks is in hotels as Figure 4 shows. These tend to be larger properties with just under 400 rooms per property. In total there are 29 hotels accounting for 10,015 rooms.

A number of parks offer guest house or hostel style accommodation, such as the Berggeist in Phantasialand or the Legoland Village Hostel. These are smaller properties with an average size of 47 rooms. See Figure 4.

Four of the theme parks offer chalet or bungalow facilities. Most tend to be older facilities, added in the 1960s or 1980s. However Europa-Park added the Tipi Village, comprising 22 'tipis' with 204 beds in 2003 (we have included these facilities as chalets as they are static with heating and wooden floors). However, these properties are not entirely comparable with hotel accommodation as most offer larger more spacious accommodation facilities:

- Tipi Village: 22 'tipis' with 204 beds (sold on a per person basis)
- Slagharen bungalows: 1,000 bungalows with 5,500 beds
- Six Flags Holland: 142 bungalows with 4-7 capacity
- Duinalows: 460 bungalows[4]

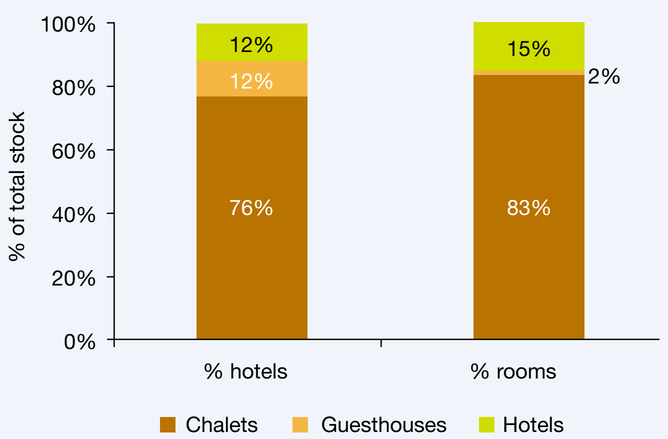
73 Per Cent of Accommodation at Theme Parks is New Build

There were, of course, hotels at some of the parks before the first real development wave in 1992. Our research has identified that nine per cent of the parks surveyed inherited on-site accommodation. In contrast, some 73 per cent of the parks had developed accommodation on a new-build basis and a further 18 per cent had a combination of new-build and redeveloped facilities.

Two Main Development Waves So Far.....

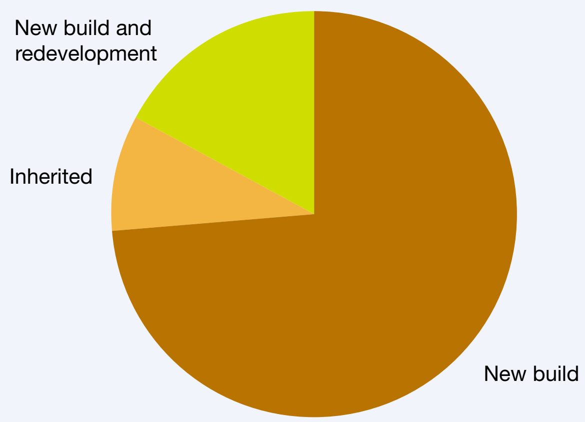
Figure 6 shows the pattern of accommodation growth at Europe's theme parks between 1963 and 2004 in terms of room additions each year. The first stage of development really took off in the 1990s, with the development of

Figure 4: Accommodation Type



Source: PricewaterhouseCoopers Theme Parks and Accommodation Survey, 2004
Hotels refers to accommodation and rooms to hotel rooms, or chalets (except in the case of Tipi Village when it refers to beds)

Figure 5: Accommodation Development at Theme Parks



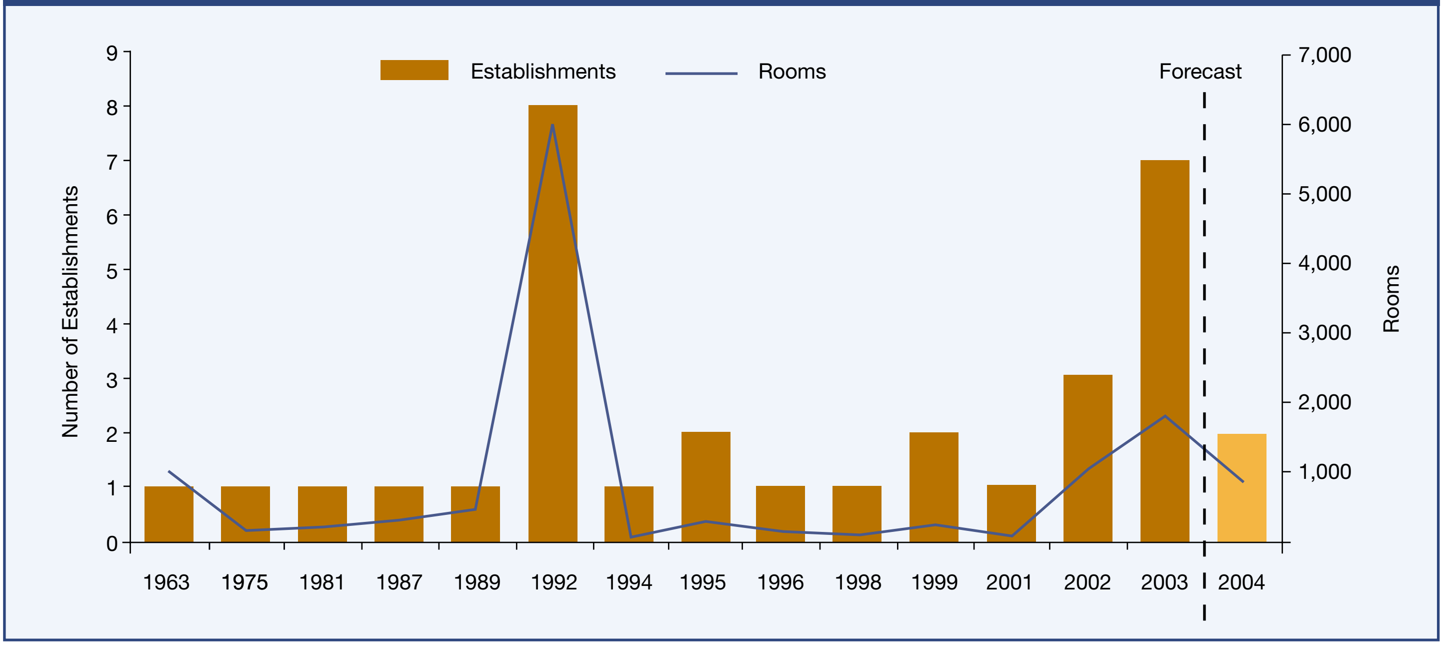
Source: PricewaterhouseCoopers Theme Parks and Accommodation Survey, 2004

4 All sold on a per bungalow/chalet basis, expect for Tipi Village

Disneyland (seven hotels), Efteling, Europa-Park(hotel and guesthouse), Liseberg Viking Hotel, Legoland, Alton Towers, Parc Asterix.

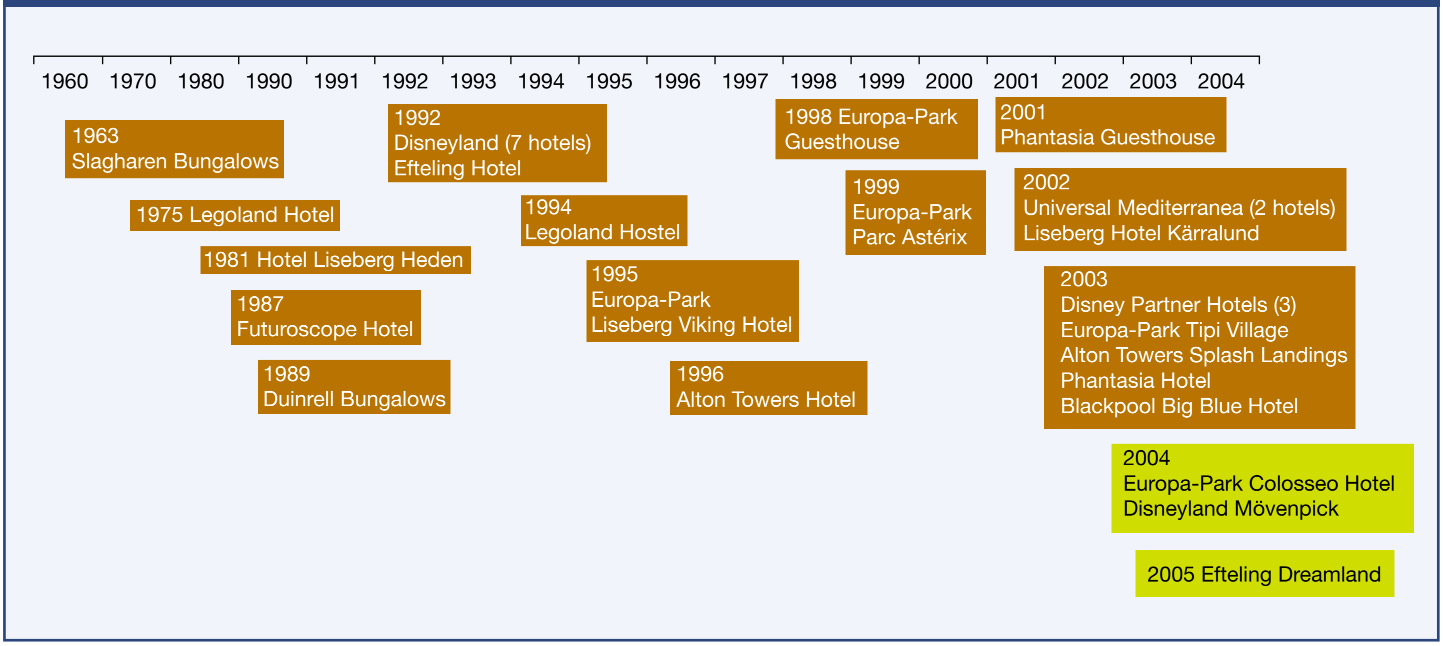
A second wave of development in 2003 brought more accommodation to Phantasialand (hotel and guesthouse), Universal Mediterranea (2 hotels), the Liseberg Hotel Kärralund, Disneyland Resort Paris (3 Partner Hotels), Europa Park's Tipi Village, the Alton Towers Splash Landing Hotel and Blackpool Pleasure Beach's Big Blue. This year Europa-Park plan to open their Colosseo Hotel, Disneyland Resort Paris will open a Movenpick branded hotel and in 2005 Efteling's Dreamland Hotel opens.

Figure 6: Accommodation Growth at Europe's Theme Parks Annual Rooms Additions 1963-2004



Source: PricewaterhouseCoopers Theme Parks and Accommodation Survey, 2004. Analysis of accommodation supply at 28 major European theme parks. Excludes Duinrell hostel and the bungalow park at Six Flags Holland where the dates of opening are not known (includes official accommodation and accommodation which is part of the park, does not include camping spaces or hotels which are not part of the park – e.g. Disney 'off site hotels').
1989 rooms refers to 460 bungalows at Duinrell, 2002 includes 13 rooms at Hotel Kärralund (total capacity 72)
2003 rooms includes Tipi Village at Europa-Park which comprises 22 tipis with 204 beds (bed number has been included).

Figure 7: Accommodation Development at European Theme Parks: 1963-2004



Source: PricewaterhouseCoopers Theme Parks and Accommodation Survey, 2004
NB: This analysis excludes Duinrell hostel and the Six Flags chalets where the dates of opening are not available

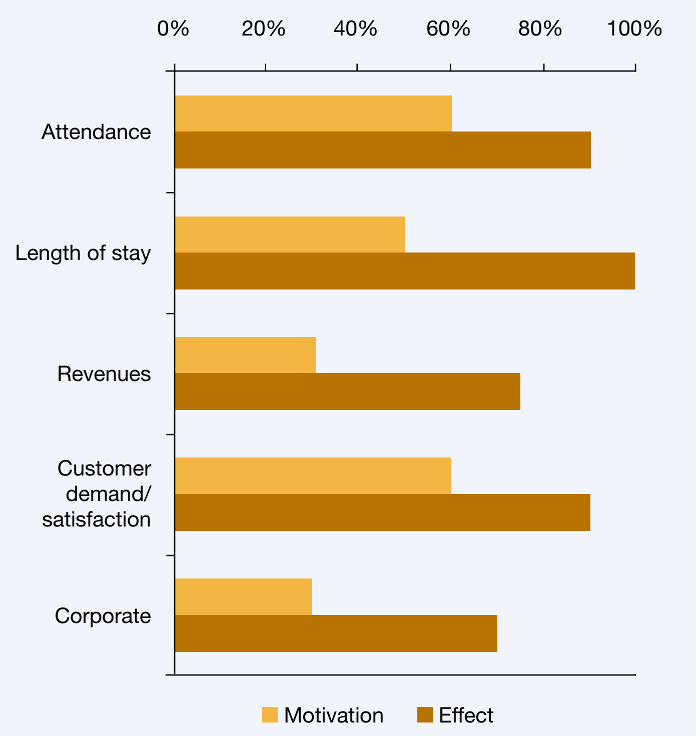
Why Develop Hotels at Theme Parks?

Against the backdrop of a crowded and competitive marketplace, European parks need to leverage growth opportunities and new revenue streams. Competition both between the parks themselves and with other diverse substitutable leisure activities is intense.

The development of accommodation products can be seen primarily as part of the need to make existing assets work more efficiently and to grow revenues, particularly average spend. However, growing total spend in such a competitive market is quite a challenge.

Through the further development of existing sites, hotels can help operators give customers what they want. Our research below demonstrates that many visitors say they are happy for the whole theme park experience to become bigger, better and more fun. A hotel can help move parks from day visit attractions to experiential resort destination. For some operators hotels may represent an opportunity to reinforce a theme or the values of the park itself. In illustration, Europa-Park is to launch the Roman themed 347 room Colosseo Hotel at the park in south-west Germany in June 2004. The hotel will be themed with the live Gladiator show, also to open summer 2004. At Efteling the hotel echoes the mystical fairy tale theme of the park through some of the rooms. At Phantasialand the hotel is located in the China Town district of the park and allows guests to sleep and eat in a traditional Chinese Hotel.

Figure 8: Motivation and Effect of Introducing Accommodation



Source: PricewaterhouseCoopers Theme Parks and Accommodation Survey, 2004 (Responses from 11 European theme parks with accommodation)

Keeping the Customer Satisfied?

Our questionnaire to operators quizzed them on each parks' rationale for developing a hotel or other accommodation products. For those where the hotel (s) had been developed for a sufficient period, we asked whether the parks had seen the benefits they expected from the development.[5] Key motivations for developing on-site accommodation include:

◆ Providing a Total 'Experience' or Destination for Visitors

- 60 per cent of parks consulted cited customer demand as the prime reason for adding accommodation. See Figure 8. Over 40 per cent replied that creating a destination at the park was also what customers said they wanted.
- The effect of adding accommodation largely mirrored expectations for the parks that took part in our survey and in fact the responses highlighted in Figure 8 shows that expectation has been surpassed in most cases. 90 per cent of respondents said their expectations regarding customer satisfaction had been exceeded. Many parks allow hotel guests special deals or unlimited access to rides. At Alton Towers guests can use the rides an hour before the park opens to the general public.

◆ Improving Attendances: Attracting Short Break, Corporate, Incentive and Meetings Markets

- The parks felt that accommodation allowed them to tap into new leisure and corporate markets, including short breaks and corporate meetings, training and experience days, and help boost visitor numbers, including repeat visits. For example, Futuroscope has stated that it developed accommodation to attract overseas markets and boost the length of stay at the park. In our survey increasing attendance was cited as a reason for introducing accommodation by 60 per cent of parks and 90 per cent reported accommodation had been successful at improving attendances.
- Some have added facilities to attract specific markets such as conference and meetings rooms or spa and other health facilities. For example Tussaud's new Splash Landings Hotel provides an 'integrated' indoor hotel and water park, with a Spa and Conference Centre at Alton Towers in the UK.
- Leisure guests account for around 77 per cent of accommodation guests, although one park reported a 100 per cent leisure profile. Domestic guests dominate the guest profile, with only 21 per cent of those staying at accommodation in the parks from another country.

5 Of those 14 parks with accommodation, eleven parks took part in this section of the Survey. These were: Disneyland Resort Paris and Studios, Universal Mediterranea, Blackpool Pleasure Beach, Europa-Park, Alton Towers, Efteling, Phantasialand, Slagharen Attractiepark, Six Flags Holland, Liseberg, Legoland Billund. We were able to supplement the results of those that did not from public statements and data (Futuroscope and Duinrell)

◆ Extending the Length of Stay

- 50 per cent cited that a key aim of introducing accommodation on site was an attempt to extend the length of stay of visitors at the park. There was unanimous agreement (100 per cent) that this had been achieved.
- The average length of stay for hotels in this survey is 2.8 days, although this was distorted due to one park where the average length of stay is 15 days. The average without this result is 1.7 days.

◆ Beating Seasonality

- Accommodation can help towards smoothing the business cycle by extending the operating season. This can be achieved by attracting conferences, corporate meetings business, all year short breaks and special promotions from domestic and international markets. Indeed 33 per cent of respondents cited that the development of accommodation had helped extend their season. 73 per cent reported that their accommodation was open all year, with the remaining 27 per cent only opening their accommodation when the parks are open. A number of the parks opened selected rides during the winter season for special promotions.
- Average occupancy is 89 per cent in the high season, with responses ranging from 60 per cent to 100 per cent. In the winter season occupancy averaged 54 per cent and in the shoulder seasons is higher at 70 per cent.

◆ Improved Revenues

- A longer stay normally means more use of on site restaurants and secondary spend opportunities and 78 per cent of respondents reported increased secondary revenues as a result of developing accommodation (67 per cent reported increased primary revenues). This is particularly significant compared to the 30 per cent of parks which cited revenues as a reason for introducing accommodation. The development of the hotel itself creates a new revenue stream

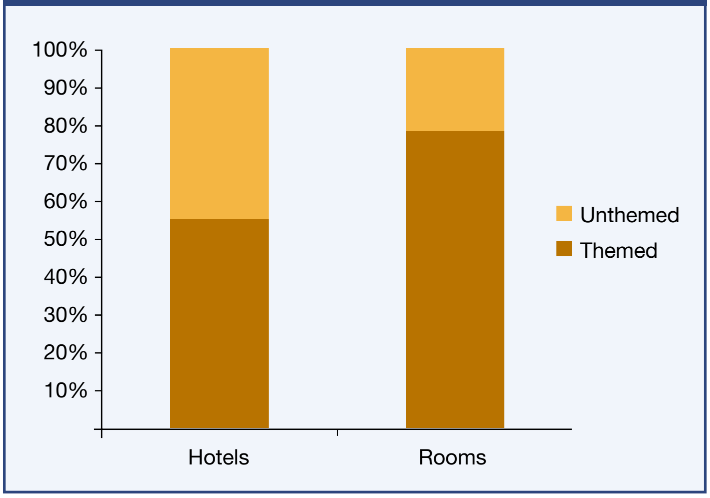
Hotels at Theme Parks Start to Rival the Parks for Fun

Eighty per cent of Hotel Accommodation in Parks is Themed

Theming can contribute to a unique and memorable experience for guests and encourage repeat visits. For the hotel, themed rooms can deliver a premium room rate. In terms of hotel accommodation, of the 29 hotels and 10,015 rooms surveyed (excluding chalets and campsites) theming was important. Developed to enhance the guest experience many now have exceptional facilities and as they continue to extend their facilities and offering, some cross- over with holiday villages such as Center Parcs is inevitable. For example Splash Landings features its own indoor water park, Cariba Creek. Future theme park hotels like the rides, seem to be getting bigger and better. The new Colosseo at Europa-Park this summer promises themed suites, Bambini rooms, a Roman-style wellness centre, indoor and outdoor pools, open air stage and conference facilities.

Like the parks themselves, the degree of theming varies considerably. It ranges from the entire hotel (Hotel Phantasialand, Disney's Ranch Davy Crockett or Splash Landing's Caribbean and water theme), to some rooms only (Efteling Hotel's Hansel and Gretel or Fifties Suites), to no real theme at all but stylish and consumer friendly (The Big Blue).). Our research found that 79 per cent of rooms and 55 per cent of hotels are themed (largely due to Disneyland and Europa-Park products). The themed properties tend to be larger units with an average of 492 rooms per hotel. The research found that guesthouses are not themed in the accepted sense, although some offer 'traditional' style accommodation, such as the Berggeist in Phantasialand.

Figure 9: Themed Hotels and Rooms



Source: Source: PricewaterhouseCoopers Theme Parks and Accommodation Survey, 2004. Analysis of hotels at 14 European theme parks (excluding chalets and bungalows)

Branding

For the theme parks, branding can help drive attendance numbers and sponsorship revenues. In terms of hotel branding, only 11 per cent of hotels and 10 per cent of rooms have a hotel company brand (e.g. Best Western Big Blue). However seven hotels are 'Disney' branded and most theme parks state that their hotels carry the theme park brand. Recently Disneyland Resort Paris has broadened its offer by allowing other developers in and now has the Kyriad Hotel, MyTravel's Explorers Hotel and the Holiday Inn. This move was to allow Disneyland to focus on investment in the park and to allow the Disneyland Resort to benefit from branding and the hotel chains' international network.

Future Outlook

Over a Third of Parks Currently Without Hotels Have Plans to Develop Accommodation over the Next Five Years

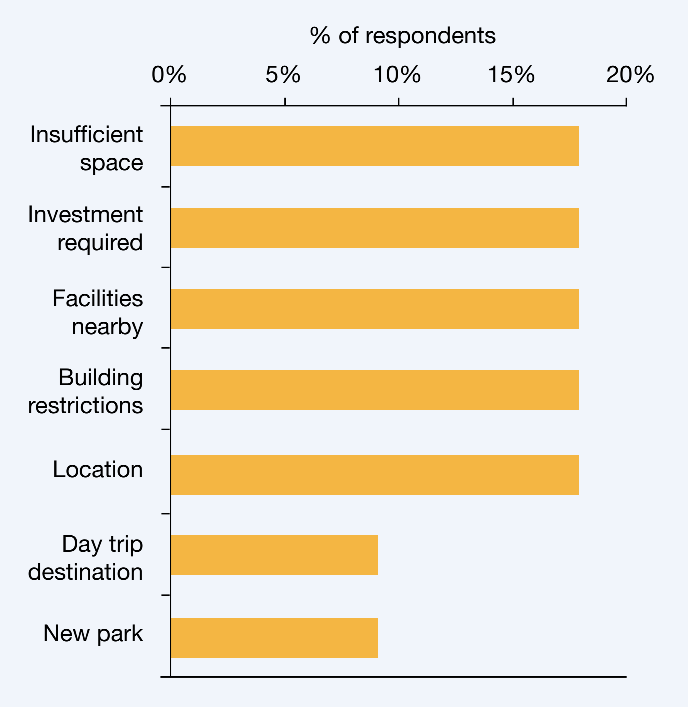
Fifteen of the theme parks surveyed did not have accommodation, 13 of these parks participated in our questionnaire.[6]

Reasons for Not Developing Accommodation

Reasons given for lack of accommodation varied from space and resources issues to planning applications and land restrictions. One park stated that the original park plan contained plans for accommodation but that planning permission was denied. See Figure 11. Thirty-eight per cent of parks stated that they had plans to add accommodation in the next five years, whilst 62 per cent had no plans. When asked about space, 77 per cent stated that they have sufficient space to add accommodation on site; however one park stated that they would prefer to use this space to add attractions such as rides to the park.

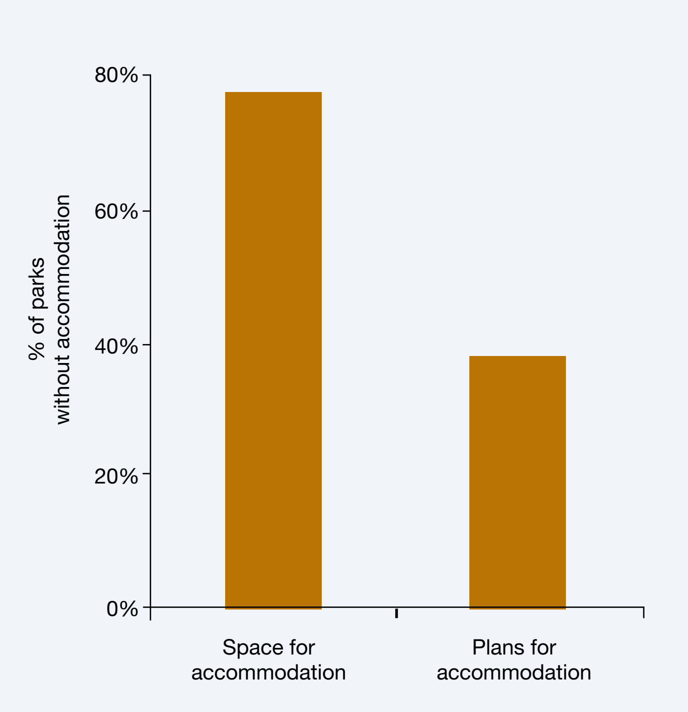
In terms of corporate facilities, 85 per cent of the parks have corporate facilities of some kind, ranging from purpose built congress centres to adaptable use of restaurant space or marquees. Looking ahead, 77 per cent of parks expected corporate business to be more important as a source of revenue in the next five years. In terms of source of business, these parks record an average of 86 per cent domestic visitors with 14 per cent from overseas.

Figure 10: Reasons for Lack of Accommodation



Source: PricewaterhouseCoopers Theme Parks and Accommodation Survey, 2004
(Analysis of 15 theme parks without accomodation)

Figure 11: Future Plans and Capacity Issues



Source: PricewaterhouseCoopers Theme Parks and Accommodation Survey, 2004
(Responses from 13 European theme parks without accommodation)

Corporate Market Set to Grow in Importance over the Next Five Years

Future Plans Recognise the Growing Importance of Corporate Customers

Philip Baker, Alton Towers Head of Projects commenting on Tussaud's plans for their new (now completed) conference centre in 2002, said:

'We feel people are looking for something different when they attend a conference. This will provide that. We are the market leader in the UK but we have to keep pushing or if we don't, our competitors will catch us up'.[7]

Europe's theme parks are in agreement and around 70 per cent per cent of all respondents (with or without accommodation on-site) believe corporate customers will be more important in revenue terms in the next five years.

Almost all respondents with accommodation have corporate facilities, generally as part of the hotel facilities or within the park itself. All agreed about a growing recognition of the value of the corporate customer.

6 These included Terra Mitica, Chessington worls of Adventures, Thorpe Park, Gardaland, Pleasureland, Warner Brothers Movie World Madrid, Warner Brothers Movie World Germany, Heide Park, Legoland Windsor, Tivoli Gardens, Bakken, Legoland Deutschland, Holiday Park (Haslock). Hansa Park did not participate.
7 New Alton Towers Hotel set to make a splash, The Sentinel, 6 March 2002

Over Half the Parks Expect the Importance of Revenue from Accommodation to Increase in the Next Five Years

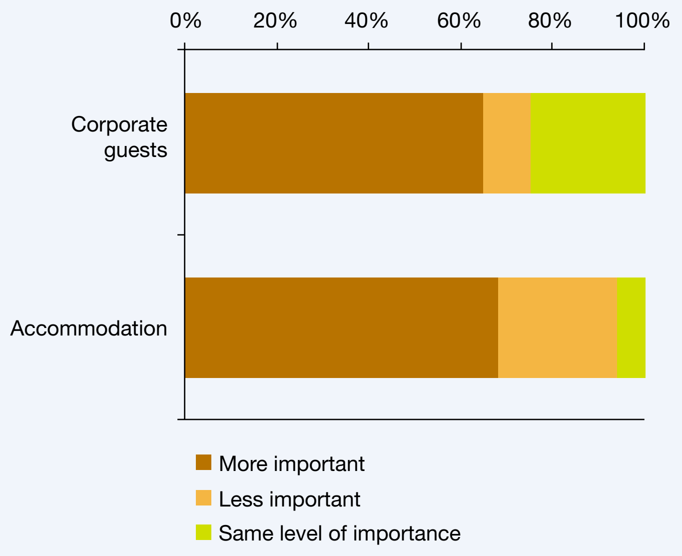
Sixty nine per cent of respondents with accommodation expect on-site accommodation to be more important in revenue terms in the next five years. A quarter of parks with accommodation stated they had plans to add accommodation in the next five years. These ranged from firm plans to less concrete plans. For instance one park plans to extend the capacity of existing accommodation by building more rooms. Another park states that accommodation may be added once occupancy reaches 95 per cent at its existing hotel (it is currently around 90 per cent in the high season).

Major plans for 2004/2005 include Disneyland Resort Paris where Mövenpick are building Dream Castle Hotel with 400 rooms; at Efteling, 'Dreamland' (or Droomrijk) themed accommodation village with around 3,000 beds in the Castle, Country Houses and Villa in the Woods and at Europa-Park the Colosseo Hotel with 1,400 beds in 347 rooms opens in June. In addition Duinrell in the Netherlands has announced plans to add a hotel to give a better synergy to the park and to encourage visitors to stay longer and attract overseas guests.[8] Duinrell currently has a hostel, bungalows and a camp site for visitors, all of which were developed over 10 years ago. It is not just the large parks that are developing hotels, but many smaller parks have also announced plans to develop hotels, such as Drayton Manor Park in the UK.

Conclusion

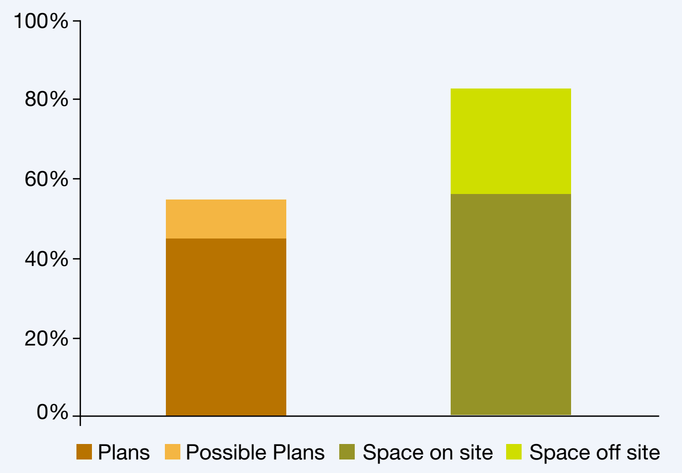
The theme park sector is highly competitive and in the crowded European marketplace operators need to be innovative. Operators are searching for ways to gain a competitive edge, to generate new revenue streams and for ways of 'sweating' their existing assets even harder. Success increasingly depends on maximising revenues and managing operational leverage and capital expenditure. Hotels could help operators win the theme parks wars, but developing accommodation forms only one part of the battle plan – they are not a panacea. Nevertheless, the right product could help differentiate a park and allow operators to tap into new markets attracting short breaks and corporate business.

Figure 12: Future Importance of Corporate Business and Accommodation



Source: PricewaterhouseCoopers Theme Parks and Accommodation Survey, 2004
(Responses from 11 European theme parks with accommodation)

Figure 13: Plans to Add Accommodation in Next Five Years



Source: PricewaterhouseCoopers Theme Parks and Accommodation Survey, 2004
(Responses from 10 European theme parks with accommodation)

8 Sourced from IAAPA Fun World Magazine November 2003

APPENDIX

PRICEWATERHOUSECOOPERS THEME PARKS AND ACCOMMODATION SURVEY 2004

Method and Approach

In January 2004 PwC undertook detailed research into the drivers, trends and outlook for accommodation (primarily hotel) development at European theme parks. The research aimed to examine the rationale, the dimensions, trend direction and to gauge implications for operators and investors at European parks.

The major theme parks were selected according to attendance levels for 2002 and 2003 (where available). For each of these parks we used desk research to analyse their accommodation capacity and facilities and then used a questionnaire-based telephone survey to obtain views on accommodation provision and the relationship between accommodation and theme park operation. In addition to the interviews we gathered data from a wide variety of public sources, including annual reports, websites, in-house databases and trade publications.

The theme park operators surveyed accounted for 29 theme parks and over 71 million visitors. In terms of accommodation, these 29 players comprised 29 hotels and over 10,000 rooms. See Table 1. Of the 29 parks 14 have accommodation on site. In addition, eleven of the 14 theme parks which have accommodation on site completed a detailed questionnaire, a 79 per cent response in terms of parks, but also 95 per cent in terms of hotel rooms and 92 per cent in terms of accommodation rooms.

Respondents included Disneyland Resort Paris and Studios, Universal Mediterranea, Blackpool Pleasure Beach, Europa-Park, Alton Towers, Efteling, Phantasialand, Slagharen Attractiepark, Six Flags Holland, Liseberg, Legoland Billund. We received partial responses from the remaining three parks and have tried to supplement missing data from published sources (Park Astérix, Futuroscope and Duinrell).

The issues we address include an examination of why the parks need to boost tertiary spend and why they have bothered to develop hotels; an analysis of the pattern of accommodation development; which parks have hotels and when they were developed; theming; the future plans for those parks without accommodation; parks attitudes to the corporate market and the future outlook for accommodation at theme parks.

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