



EAS Pricing and Admissions Session

EAS 2012, Berlin

Michael Collins of Leisure Development Partners

9/10/2012



Session Intro – Fix Side Bar

→ Intro

Benchmarking

Lead Price

Value

Discounts

Yield

Implications

- John Davies, OmniTicket
 - Ticketing Systems – Their History/Their Future...
- Michael Collins – Leisure Development Partners (LDP)
 - Volume vs. Value - Pricing, Discounting & Promotions
- Marc Muller, Emesa (vakantievelingen.nl)
 - The Power of Consumer Generated Pricing

What questions are we hoping to answer in this session?

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- How can parks improve the experience of entering their parks and making ticket purchase?
- What technologies are emerging?
- What is happening across Europe in terms of visitor attraction pricing?
- Are parks targeting volume or value?
- How have pricing and discounting patterns changed and what does the near future hold?
- How are parks working with consumer generated pricing and online sales portals?



Volume vs. Value

Pricing, Discounting & Promotions
A Benchmark Driven Perspective

Michael Collins of Leisure Development Partners

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Admissions pricing and spend

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LDP's benchmark driven approach

Intro

→ Benchmarking

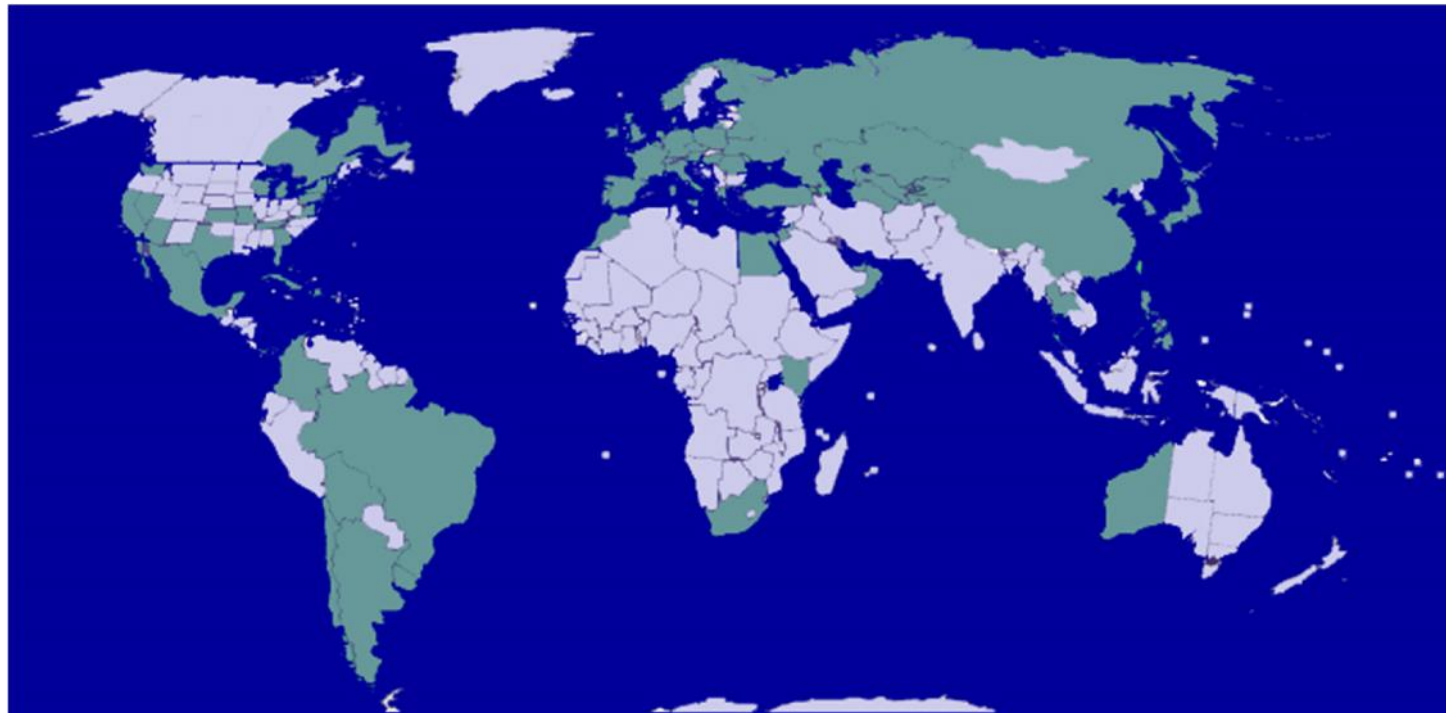
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LDP's benchmark driven approach

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Implications

- Objective benchmarks drawn from our databases
 - Used for feasibility and business planning
 - Due diligence
 - Improvement strategy
- More than 30 large European theme parks included in the analysis
 - Concentrating on the 1 million + parks
- Clustered parks by Geographical groupings

How do we look at pricing

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- Lead price – the adult sticker price
 - *Entertainment value*
 - *Price per hour*
 - *Specific discount types: children; concessions, internet etc.*
 - *Admission yield*

Pricing changes over the past decade

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→ Lead Price

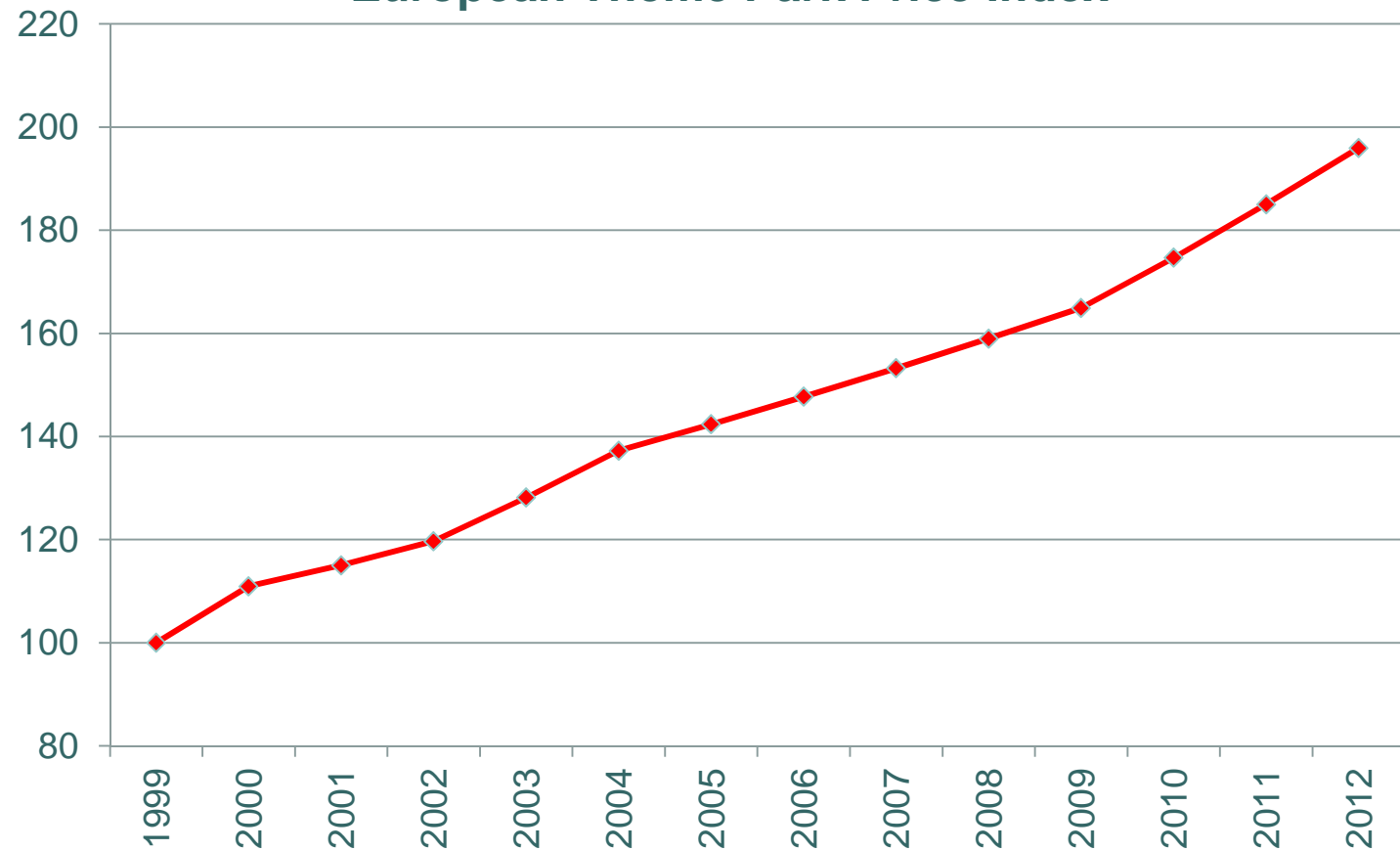
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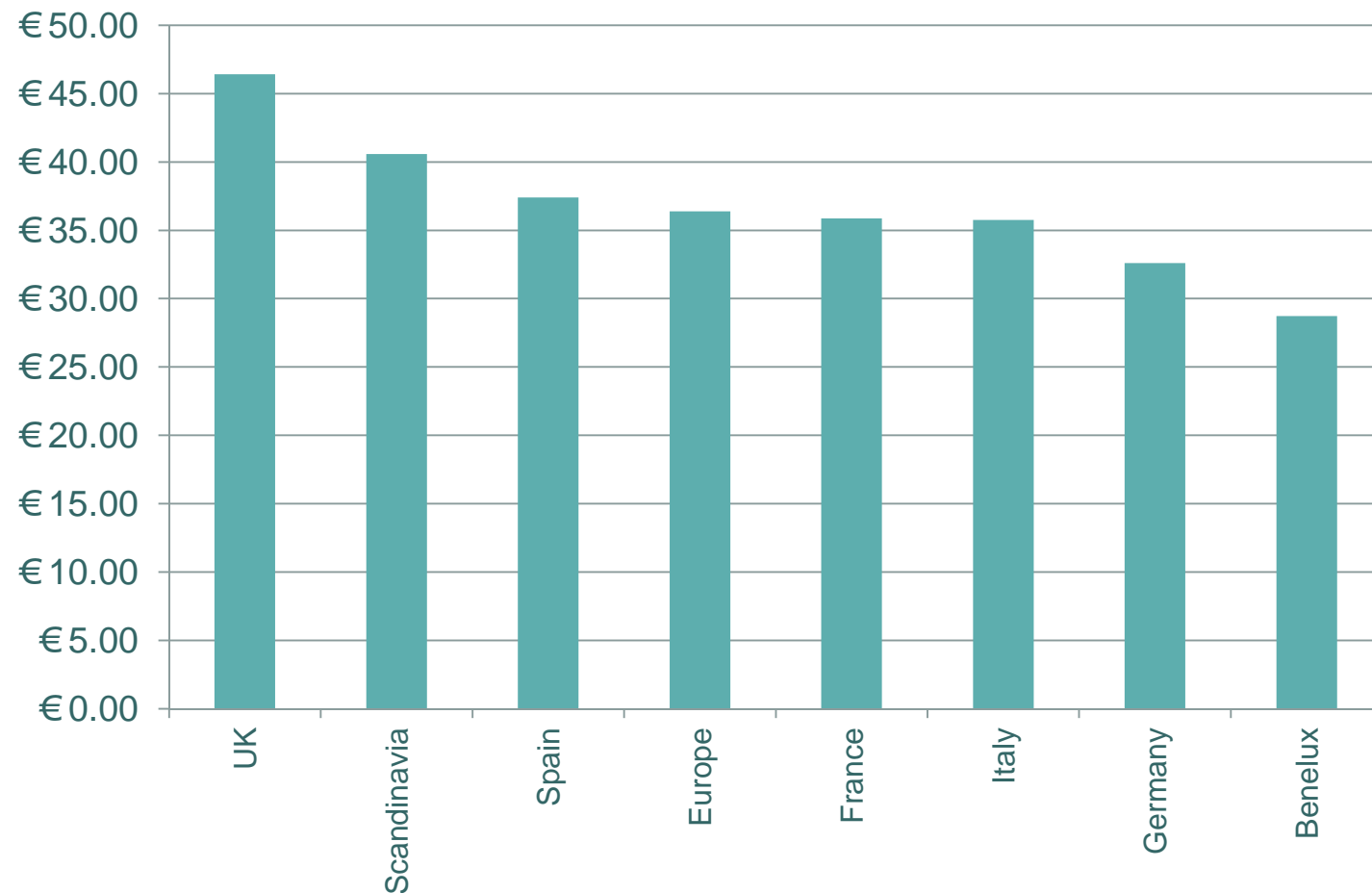
Implications

European Theme Park Price Index



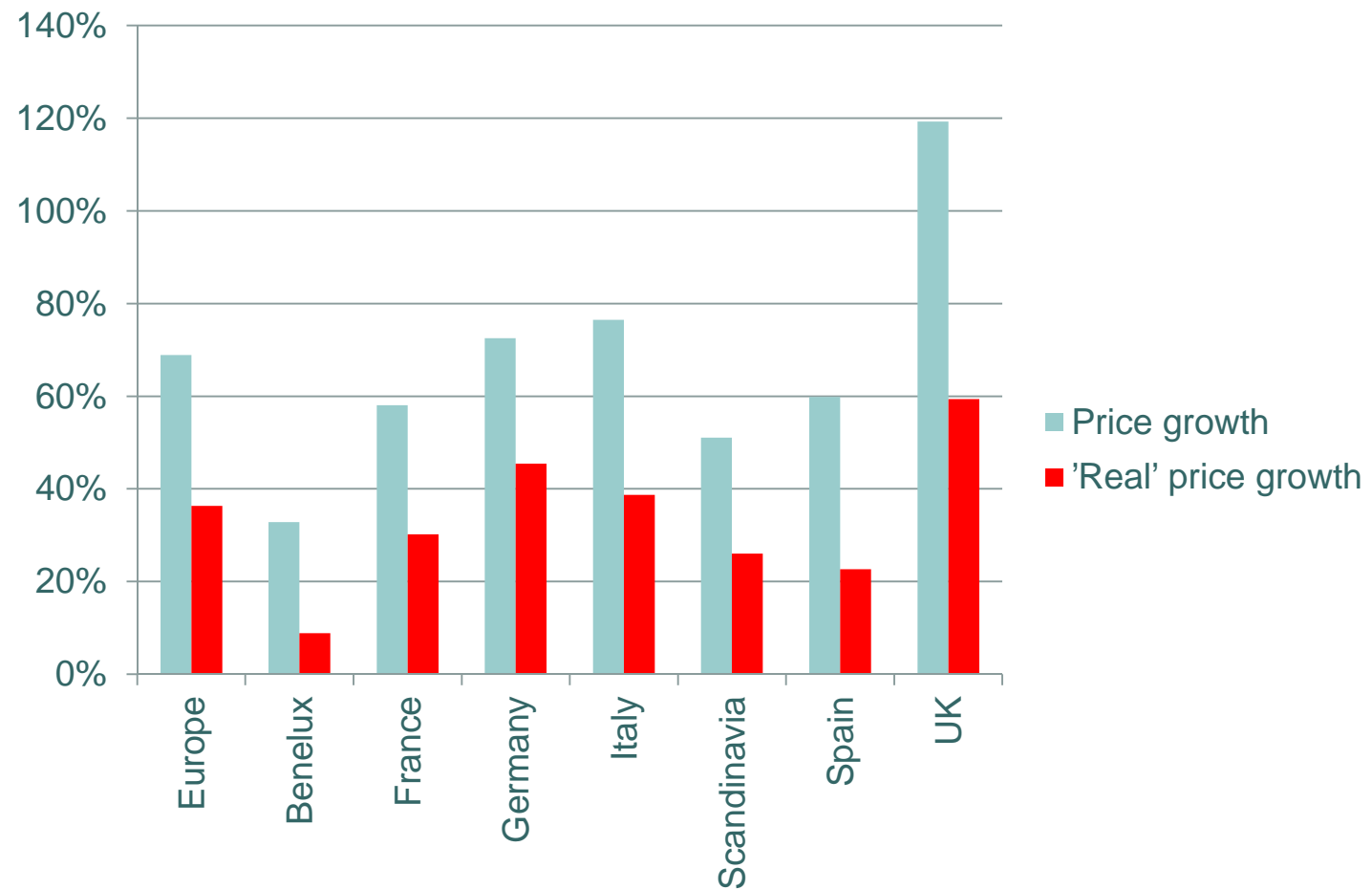
Lead prices across Europe, 2012

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- Yield
- Implications



Price change by region, past 10 years

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Entertainment value – a great leveller

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- Entertainment value as a key performance indicator

$$\frac{\text{Headline Price (£)}}{\text{Average Length of Stay (Hours)}} = \text{Entertainment Value (£)}$$

- A solid gauge of value – attractions with a long length of stay can command a higher price
- Like for like comparison across different scales of park

Length of stay and entertainment value, 2012

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Child discounts, 2012

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Benchmarking

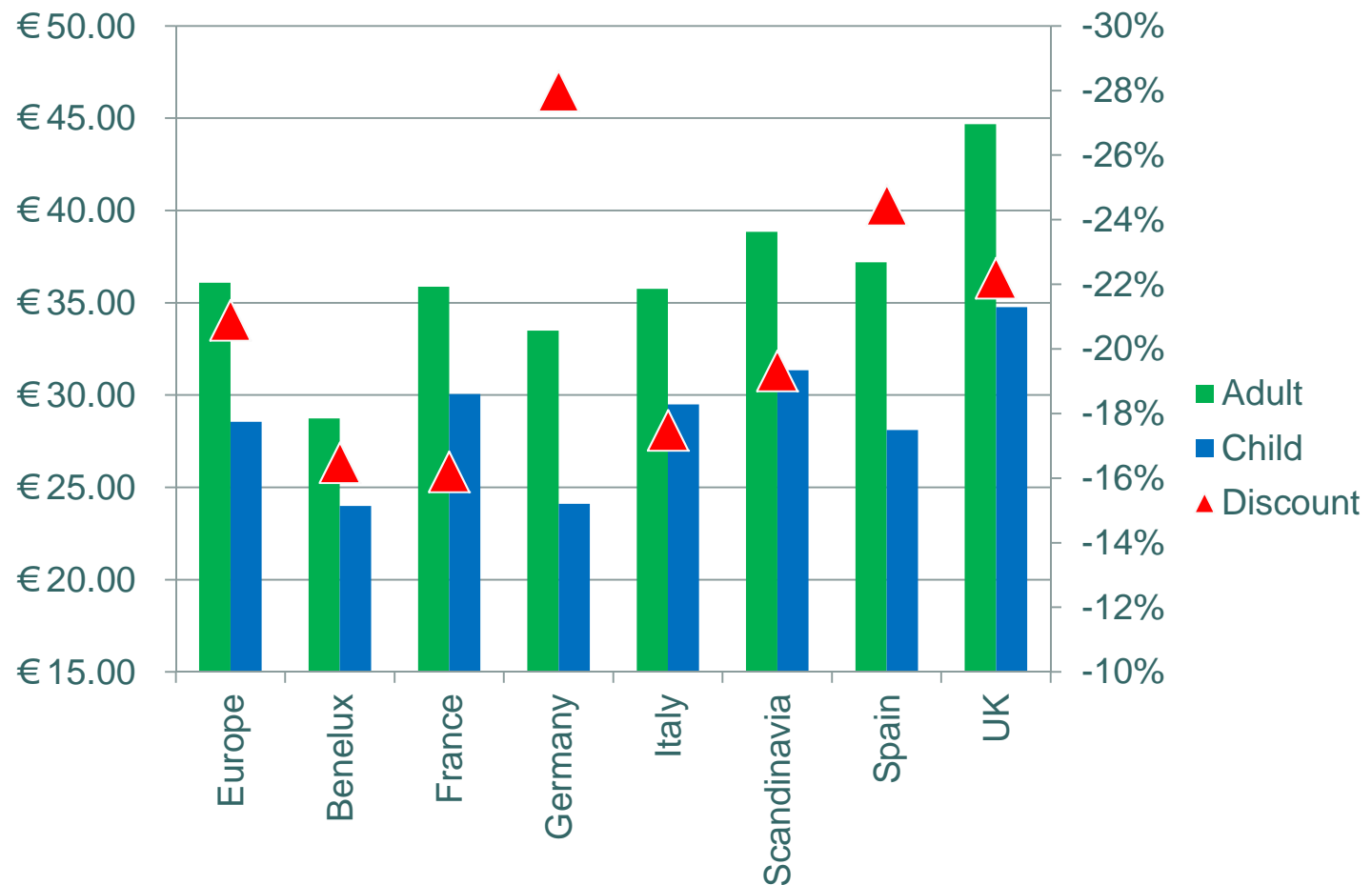
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Internet discounts, 2012

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Implications

- Internet discounts have become important but are not yet consistent
- Some use in a variable pricing system, others a straight discount
- Range as of August 2012 was a discount of 4% to around 50%
- Most, however, around 15% to 20%

Admission Yield

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$$\frac{\text{Average Admission Spend}}{\text{Lead Price}} = \text{Admission Yield (\%)}$$

- Admission yield is a KPI we track across dozens of parks
- It is considered highly confidential so we will discuss general terms
- Across Europe yield is currently from the 50s% to the 70s%
- There was a time when the range was 65% to even 80%+
- Geographical differences are reducing
- Aggressive discounting and the homogenisation of strategy is pulling all regions into the same area
- Some parks have dropped 10-15 percentage points to maintain or grow attendance
- Understandable but is it the right approach?

Volume vs. Value – a balancing act

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Are parks in balance?

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- Are the big groups and the downturn pushing everyone to discount too much?
- Is discounting becoming normalised and expected?
- Can parks wean themselves off discounting? Even just a little? Should they?
- Strike the balance between volume and value that works best for all aspects of your business
- Make sure the entire business has the same goals – a target per cap and a target attendance that can be achieved together
- Can we have a period where yields improve and per cap admissions start to catch up with lead price growth?



Thank you for your time. Questions?

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