

The Role of Theme Parks in Tourism

by
Lou-Hon Sun
and
Muzaffer Uysal

Although the theme park has been a major tourism destination in the United States, little research has been done in this industry. The growing economic significance and competition of the theme park industry ensure that the study of theme parks will emerge as a more popular research topic in the years to come. The authors review related articles and identify potential research topics in the theme park industry.

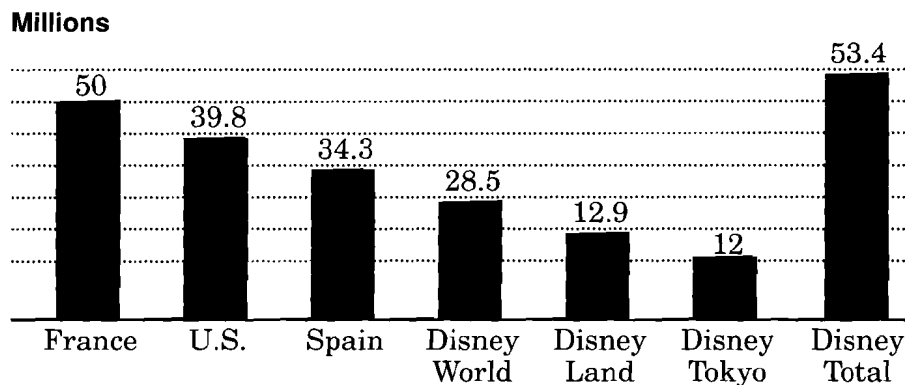
Outdoor amusement parks and attractions have been among the most popular segments of the entire entertainment and recreation industry.¹ Since Walt Disney World opened in Orlando, Central Florida's theme parks have been popular attractions in the last 20 years.

In 1991, the *New York Times* reported that France was the number one tourist destination, with 50 million visitors a year. The U.S. was second, with 39.8 million; Spain was third, and Disney World was fourth, with 28.5 million visitors annually. When visitors to Disneyland in California and Tokyo are added in, the total reaches 53.4 million a year (see Exhibit 1).²

Amusement parks are an outgrowth of carnivals and fairs which began in England in the late 1800s and came to the United States shortly thereafter. They feature lights, moving objects, rides, and games of competition. Coney Island, which opened in 1895, was among the earliest amusement parks in the United States. By 1950, most amusement parks were in disrepair, were suffering from a poor public image, and were in financial difficulty.

Walt Disney revitalized the amusement park industry in 1955 when he opened Disneyland in Anaheim, California. One of the primary reasons for the success of the Disney parks is their use of entertainment for all ages, leading the way in the multi-theme concept with most of the rides combining a thrill with an entertaining show. Disney's sales have jumped from \$1.46 billion in 1984 to \$4.59 billion in 1989, and the company's market value has

Exhibit 1
Number of Visitors in 1990



Source: Caproni, 1992.

grown from \$2 billion in 1984 to \$16 billion in 1988, a 700 percent increase.³ Disney's fiscal 1992 revenues totaled \$7.5 billion, up 23 percent from a year earlier.⁴ Its phenomenal success prompted the building of other theme parks throughout the United States.

Theme Parks Allow Escape to Fantasy

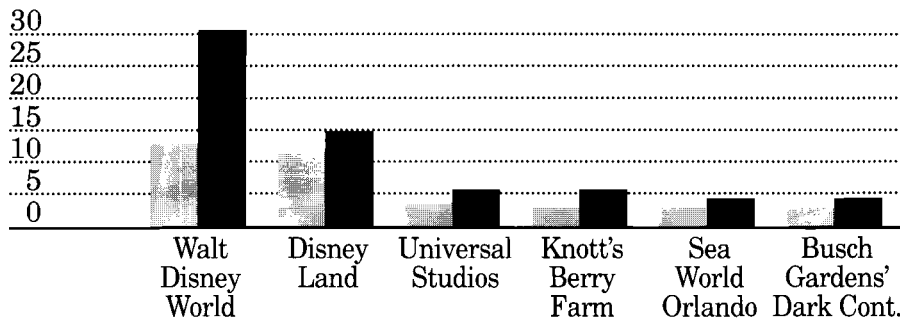
Theme parks are what their name implies. Through careful planning, a specific atmosphere is created through the physical and interior design of the park and its component parts, and the dress and attitude of its personnel. The theme park is more than a set of amusing experiences in one location; it allows one to escape through fantasy. Through its rides, exhibits, restaurants, and lodging accommodations, it gives the visitor a total experience.⁵

Theme parks are different from traditional amusement parks not only because they are based on a theme or several themes, but also because of their huge operating scale. The entire Walt Disney World in Florida comprises 27,400 acres and has a 60,000 maximum one-time guest capacity.⁶ It is twice the size of Manhattan and more than half of it is untouched wilderness.

There are approximately 700 permanent amusement-type attractions in the USA, many of them quite small; 40 are of the "theme" type. This list includes Kings Island in Ohio; the revamped Knott's Berry Farm in Buena Park, California; Opryland, U.S.A., in Nashville; the Six Flags parks in Texas, Georgia, and Missouri; and Walt Disney World in Orlando, Florida. In recent years the number of theme parks has increased and the number of amusement parks has decreased. From an attendance standpoint, the theme group dominates the industry, with an annual attendance close to 100 million.⁷ Exhibit 2 shows the leading U.S. theme park attendance figures between 1979 and 1989.

Exhibit 2
Leading U.S. Theme Parks

Attendance in Millions 1979 ■ 1989



Source: J.A. Adams, 1991.

Central Florida Dominates U.S. Parks

For many centuries following the discovery of Florida by the Spanish in 1513, the region was regarded as an uninhabitable swamp. In the early 1950s, the Division of Tourism was established to pursue the realization of the "Sunshine" State's clear tourist potential. The fifties and sixties witnessed the emergence of Florida, and Central Florida (Orange County/Osceola/Walt Disney World area) in particular, as one of the most exciting and dynamic destinations in the history of tourism.⁸ The magnitude of Disney World and its effect on tourist flows had an almost immediate impact on Florida's economy.

Walt Disney's original concept for Walt Disney World was not to bring the Disneyland environment to the East Coast or to create a permanent World's Fair. He dreamed of developing a controlled society where everyone would live lives according to Disney doctrine, in a city free of dirt, slums, and violence. When Disney died in 1966, his corporation, W.E.D., Inc., was left to fulfill his dreams. Realizing the lack of plausibility of the EPCOT vision, the corporation sought to modify and transform its concept.⁹

Walt Disney World is the largest theme park and attracts the most visitors to its three parks: the Magic Kingdom, a 107-acre park opened in 1971; the 260-acre EPCOT Center opened in 1982; and the Disney-MGM Studio opened in 1989. The concept includes hotels, campgrounds, time-share condos, restaurants, and facilities for a wide range of outdoor activities such as golf, tennis, swimming, boating, hiking, fishing, and horseback riding. Walt Disney World is now a total resort and its design has three distinguished characteristics:

- total separation between the external world and the park
- the continual contrasting of past and future
- the stimulation of the visitor's imagination and of his active participation.¹⁰

Already two out of three Americans visit a Disney park at some time in their lives. Disney World is simply the nation's number one vacation destination.¹¹ Initially the market for Disney World was meant to be just America's East Coast. Now, some Disney-watchers estimate that more than 15 percent of the 28.4 million people who went there in 1990 were from overseas.¹²

Theme Parks Bring Tourist Development

The phenomenal success of Disney World suggested to entrepreneurs that there is money to be made out of the American desire for escape and fantasy. When Walt Disney announced that he would build a new theme park in central Florida, the market became the subject of intense tourism development and attracted 13 to 15 million yearly visitors. The area offers the nation's largest concentration of hotel rooms and a dense group of theme parks.

Most of today's theme parks followed Walt Disney's lead and are directed toward a particular theme. Busch Gardens in Tampa offers "The Dark Continent," a 300-acre African theme park recreating an African safari. Spaceport USA is part of the Kennedy Space Center. Sea World of Florida is the largest marine zoological park, and Universal Studios is a movie-oriented theme park.

The Orlando market has been the subject of intense hotel development in the past 20 years. In the past, Disney was content to draw millions of visitors to its park attractions and accommodate a small percentage of them in higher-priced hotels inside Disney World. The vast majority would stay at lodgings in Orlando, dining in the city at night and visiting other attractions such as Sea World, Wet 'n' Wild and Tampa's Busch Gardens. But now Disney seems eager to get as big a slice of the visitor's dollar as possible. The strategy is to give tourists lots of reasons to spend more time on Disney's property and less on someone else's. That's why Disney has spent more than \$1 billion in recent years to add attractions like Typhoon Lagoon water rides and the Pleasure Island night life area.¹³

There were 15,000 rooms in Disney World in 1991 (more than in the Bahamas). Initially, the company never expected that people would stay there for more than two or three nights; now the average length of stay is nearly a week.¹⁴ Disney wants, if not all of the money it attracts to Orlando, at least the bigger piece of it. Those moderately-priced hotels outside Disney World are likely to face stiffer competition since Disney is building comparably priced rooms on its property.

Attractions, merchandise and foods must blend and complement each other so the guest is able to flow from one area to the other. Many theme parks have the policy of prohibiting visitors from bringing food and drinks into the park. Because of the guests' necessity to eat while they are in the theme park, the value of the food to the guest is as important as anything.

For many theme parks, food service income is second only to admissions. In Disney World guests eat an estimated 1.7 on premise meals a day.¹⁵ One of the objectives of theme park administration is to increase the length of stay and the expenses in food and beverage and other commodities. Theme park food service offers a wide range of dining choices, from fast food to fine dining. Almost everyone who visits a major theme park eats there. Consequently, the food operations must be prepared to handle high volume demand. Disney World hired approximately 8,000 food service employees in 1987. In 1990, Universal Studios of Florida opened its kitchens and dining rooms to serve 40,000 daily covers.¹⁶

Theme parks are continuously changing in response to market trends, and the benefits sought by consumers have changed over the years. A recent study by McClung identified the variety and quality of restaurants as the second highest attraction among 13 different factors.¹⁷ But food service was not viewed as important as other elements in theme parks. Only a few articles related to theme park food service were found in the literature.

Food Service Is Critical

Traditionally, theme park guests want the food served as fast as possible so they can get back to the entertainment. Many theme parks emphasize hamburgers, hot dogs, and fried chicken, but there is a trend toward more table service and theme restaurants. For example, Levy Restaurants of Chicago, in a joint venture with the Walt Disney Co., has opened the Fireworks Factory and Portobello Yacht Club theme restaurants in Pleasure Island, and Mecca Leisure USA is operating the Hard Rock Cafe and Fantasy Seafood Restaurant at Universal Studios of Florida. In Disney-MGM studios, more than half the planned 12 restaurants will offer table service with unique themes.¹⁸

Food can actually be part of the show, carefully blended into specific themes. In fact, food service has become an element of fantasy fulfillment for guests who visit the theme park each year, and many offer special festivals based on ethnic themes. Restaurants can be a showcase for different ethnic cuisines. Disney continues to be an innovator; theme restaurants at Disney World are almost as interesting as the attractions themselves.¹⁹ For example, Disney-MGM's menu design concentrated on food trends of the '50s using '90s methods and nutrition.²⁰

According to Larry Slocum, WDW's director of the parks' foods center, "in the Magic Kingdom and EPCOT Center, the park

themes don't necessarily lend themselves to food themes. In the Disney-MGM Studios theme park, the food theme is very integral to the rest of what is happening."²¹ Food service facilities in the Disney-MGM Studios theme park are scattered throughout the park and are designed to reflect the special scenes of their neighboring attractions.

The theme parks market has become relatively crowded in central Florida. Developing or acquiring new attractions is costly. One result is that parks may turn to more live entertainment, educational features, and better food service. The blending of these elements will make a theme park unique. In Walt Disney World even the fast-food restaurant has an educational goal—to make healthy foods interesting and to make popular foods healthy. Waiting in at the Food Factory provides an opportunity to watch dough and ice cream being prepared from scratch.²²

Catering to consumer tastes is no easy task, given that consumers are in a vacation mode, and come from all walks of life and all over of the world. Their preferences differ from what they'd be eating at restaurants closer to home. Knowledge of the role of theme park food service to satisfy visitors would be of assistance to policy makers in planning growth strategy.

Parks Are Highly Competitive

Theme parks are in competition with each other. The recession is one factor behind the strong competition between Universal Studios and Disney-MGM Studios in Orlando, Florida. Both studio theme parks are involved in aggressive marketing. While Disney denies that its studio theme park is competing with Universal's, Universal admits the similarities and engages in a strategy to get customers sold before they actually arrive in Florida.²³

Owners of tourist attractions have found advantages clustering their tourist attractions close to one another; managers of attractions can increase the length of the tourist's stay to include an overnight; thus additional food, lodging, and second-day recreation expenditures will be made. To build marketing clout, Wyndham Hotel Sea World, Sea World of Florida, and Cypress Gardens have formed a consortium to market all three properties as a package.²⁴

The traditional family-oriented theme parks are now positioned to profit by developing corporate hospitality events for employees who need a break from the conference schedule. Meetings and incentives in 1990 accounted for 10 percent of the 30 million annual visitors to Disney World; that number is expected to rise to 28 percent by 1994.²⁵

To add a personal touch, theme parks can supply groups with tour guides. Universal Studios and Sea World can arrange private tours and shows. Even though Walt Disney World will not arrange private admission for groups during regular operating hours, they will customize many attractions after hours. Theme parks have

reshaped the future of Central Florida. In the area, tourist-oriented development likely will dominate the market in the 1990s.

International Venues Are Popular

International travel has become one of the healthiest growth industries in the U.S. Guests from overseas are good news for the U.S. economy; 1989 was the first year when spending by visitors to this country (\$43 billion) exceeded the spending of American travelers outside U.S. borders (\$42.6 billion). A 6.5 percent increase to 46 million visitors was projected for international tourism to the U.S. in 1992.²⁶ Most international visitors favor certain places. Disney World is one of the most powerful attractions.²⁷

Theme parks have had an enormous impact upon local economies and will continue to play an important role in providing recreational opportunities. In the theme park business there is no such thing as a finished product; they are continuously changing in response to market trends. Any competitive advantage a park gains is usually short lived. When the highest, fastest, or scariest ride is introduced at one park, a "better" one is opened at another and the race continues. Each year, they add new rides and attractions, relocate and re-theme restaurants, and rewrite shows.

Developing or acquiring new attractions is costly. The average new spectacular ride may run over \$2 million. Since theme park operators find it difficult to alter rides and attractions to give them a new look, they are constantly adding costly attractions to bolster public interest.²⁸ For example, Space Mountain at Disneyland (added in 1977) cost \$17 million—more than it took to build the entire complex in 1955.

Milman studied Central Florida theme parks and found that man-made attractions were the most popular, followed by natural attractions such as gardens and animals. In addition, popular activities included watching animal shows followed by walking around the park. Eating in restaurants, listening to live music, and watching exhibits and parades were also important. The majority of the respondents were not interested in thrill rides.²⁹

McClung identified factors which influenced theme park attendance; in his study, 13 attractions were examined to determine which attractions held the greatest appeal. Learning was the highest-rated attraction, followed by variety/quality restaurants and animals in their natural habitat. Fourteen themes were examined to determine which general themes held the greatest appeal; educational exhibits ranked highest, followed by exotic animals, technology, and botanical garden.³⁰

The key to the successful operation of a theme park is to have guests leave wanting more. To ensure the return of guests year after year, it is essential for the theme park to continually update their attractions. Due to the high cost of new rides, educational features, food service and live entertainment are going to become more important drawing factors for the industry.

Exhibit 3
Attractiveness

Thrill rides	Climate
Water rides	Parking spaces
Movie-based rides	Hotels
Rides for small children	Food service
Roller coaster	Golf courses
General shows	Tennis courts
Animal shows	Swimming pools
Games	Picnic grounds
Movies	Meeting facilities
Museums	Night clubs
Festivals	Gift shops
Cartoon characters	Botanical gardens
Fireworks	Land scale
River trips	Number of employees

Despite the popularity of theme parks, research efforts on this subject are limited. It will be advantageous for theme park operators to have a better knowledge of their products and customers.

Any attempt to plan the growth of tourism can be enhanced through the identification of tourist supply resources available within regions.³¹ Due to its land scale and types of attractions, Central Florida's theme parks can be treated as regions within a region. The methodology of regional analysis of tourism resources can be implemented to identify the attractiveness of different theme parks. Factors identified as attractive include the following:

Food and beverage revenue is one of the major incomes for most theme parks. The nature and dynamics of the dining experience need to be understood. It will be useful to identify the motives, benefits, and satisfaction of visitors. Due to the differences in average length of stay, food services may not have the same impact on visitors' satisfaction.

Studies should be made on how different visitors spend their time in the theme park. Nearly 70 percent of Disney's visitors are repeat patrons.³² Their visiting behaviors and the distribution of expenditures need to be examined.

Changing demographics in the United States also influence the market. The number of teens is decreasing and the ethnic population is increasing. Research in identifying the behaviors of different ethnic groups and nationalities is needed.

Some individuals wanted to escape elements of the city and searched for areas where they could get away from all development; less experienced users noted they felt lost in outdoor sites and seemed alienated from the natural environment. They felt comfort being surrounded by lodges and concession stands.³³

Orlando's tourist trade has increased since the opening of Walt Disney World. However, local businesses are feeling threatened by Disney's expansion. They worry that if visitors go directly to Disney's property from the airport by the proposed high speed train, they will never visit Orlando's other attractions.³⁴ Balancing development between primary and secondary destinations in a highly tourism-dependent region is an issue. Local government should set up a policy to help the survival of small tourism-related businesses. Promoting special events could be one way to deal with the situation.

References

- ¹H. Price, "Outdoor Amusement Parks and Attractions," in S. F. Epperson, (ed.), *Private And Commercial Recreation*, (State College, PA: Venture Publishing, Inc., 1986), p. 399.
- ²J. S. Caproni, "Travel As Theater: A New Challenge To The Credibility Of Tourism," *Journal Of Travel Research*, (Winter 1992), pp. 54-55.
- ³I. Picker, "Financial Magic for the Magic Kingdom," *Institutional Investor*, (October 1989), pp. 255-259.
- ⁴"Disney reports good year," *Advertising Age*, (November 23, 1992), p. 8.
- ⁵H. D. Sesames, *Leisure Service*, (Englewood Cliffs, NJ: Prentice-Hall, Inc., 1984), pp. 107-108.
- ⁶T. Powers, *Introduction to Management in Hospitality Industry*, (New York: John Wiley and Sons, Inc., 1988), p. 309.
- ⁷Price, *op. cit.*
- ⁸S. Anian, "Orlando: More Than Disney," *Leisure Management*, (1988), p. 42.
- ⁹A. S. Dennett, "A Postmodern Look At EPCOT's American Adventure," *Journal Of American Culture*, (Spring 1989), pp. 47-53.
- ¹⁰T. Coltier, "Theme Parks: A Dream Machine," *Espaces*, (1985) pp. 24-26.
- ¹¹B. Kobliner, "Disney World on \$500 A Day: How to Get Your Money's Worth," *Money*, (May 1990), p. 152.
- ¹²"Into The Magic Kingdom," *The Economist*, (March 23, 1991), p. 22.
- ¹³H. Rudnitsky, "Mickey Is Eating My Lunch," *Forbes*, (September 18, 1989), pp. 86-92.
- ¹⁴"Into The Magic Kingdom," *op. cit.*
- ¹⁵F. Festa, "Disney Diversity," *Restaurant Hospitality*, (October 1987), p. 93.
- ¹⁶"Lights, Camera, Food," *Nation's Restaurant News*, (June 11, 1990), pp. 1-4.
- ¹⁷G. McClung, "Theme Park Selection: Factors Influencing Attendance," *Tourism Management*, (June 1991), pp. 132-140.
- ¹⁸"Disney-MGM," *Food Management*, (April 1990), pp. 104-118.
- ¹⁹J.K., *Restaurant Business*, (Sept. 20, 1990), p. 106.
- ²⁰K. Schuster, "Casting The Magic," *Food Management*, (April 1990), pp. 103-118.
- ²¹"Disney-MGM," *op. cit.*
- ²²S. Hanna, "An amusement park that also educates," *Video Technology*, (1981), p. 37.
- ²³C. Miller, "Duel In The Florida Sun," *Marketing News*, (January 6, 1992), pp. 1-2.
- ²⁴"Team Marketing," *Marketing News*, (April 25, 1986), pp. 1-12.
- ²⁵M. Adams, "Hooked On Disney," *Successful Meetings*, (September 1990), pp. 48-55.
- ²⁶J. Meyers, "Mapping a marketing solution," *Advertising Age*, (November 2, 1992), pp. S1-S3.
- ²⁷W. Zelinsky, "Coming To America," *American Demographic*, (August 1990), pp. 44-56.

²⁸J. B. Samuels, "Theme Parks: Program Variety and Employment Options," *Parks & Recreation*, (November 1983), p. 61.

²⁹A. Milman, "Market Identification of A New Theme Park: An Example from Central Florida," *Journal of Travel Research*, (Spring 1988), pp. 7-12.

³⁰G. McClung, *op. cit.*

³¹S. Backman, M. Uysal and K. Backman, "Regional Analysis of Tourism Resources," *Annals of Tourism Research*, (1991), pp. 323-327.

³²F. Well, "Marketing Factors And Customer Satisfaction," *Quality Progress*, (February 1989), pp. 49-51.

³³L. Fishwick and J. Vining, "Toward A Phenomenology of Recreation Place," *Journal of Environmental Psychology*, (1992), pp. 57-63.

³⁴Rudnitsky, *op. cit.*

Lou-Hon Sun is a doctoral student and **Muzaffer Uysal** is an associate professor in the Department of Hotel, Restaurant and Institutional Management of Virginia Polytechnic Institute and State University.