# Strategies to Encourage Ticket Sales and Visitation Following COVID-19

iaapa.org/news/funworld/strategies-encourage-ticket-sales-and-visitation-following-covid-19


When the Great Entertainment Group became the Hong Kong Observation Wheel's new operator, it revised the attraction's business model and pricing. (Credit: The Great Entertainment Group)

As attractions emerge from the shadows of COVID-19 and a potential economic contraction, many global attractions industry leaders are wondering whether they will need to adjust their pricing strategies for the long run. Some theme parks are offering discounts or package deals, while others are staying the course. Not every attraction will need to lower prices, though. Some may actually see increased attendance as consumers defer international travel and look for more entertainment options closer to home. Here is a look at different pricing principles attractions can use to drive ticket sales and visitation as their situation evolves.

## One Size Doesn't Fit All

When a subsidiary of the Great Entertainment Group (GEG) won a tender to operate the Hong Kong Observation Wheel, it took a radically different approach to the attraction's business model. The new operator cut ticket prices by 80% and began offering free health and entertainment programs on land adjacent to the wheel.

GEG also teamed up with a corporate partner, insurance provider AIA, whose logo was placed prominently in the center of the iconic wheel. AIA was given naming rights to the adjacent Vitality Park too.

The new model has paid off. More people are riding the wheel. Visitation and foot traffic have revitalized the waterfront area. And most importantly of all, from a business perspective, the new strategy is profitable.

"It's been a massive success," says Randy Bloom, the company's group CEO. "The revenue model for the wheel is no longer one that is just driven by ticket sales and consumer spend but really is a gift from AIA to the community."

Located on a prime piece of harbor-front property in central Hong Kong, the 60-meter Ferris wheel attracted about 1 million visitors annually during its first three years of operation.

Tickets cost HK$100 for the 20-minute ride. GEG cut that to HK$20. Ridership more than doubled to 6,000 per day, tripling GEG's initial projections.

"The brands are leveraging us, as a platform, to communicate with their consumers," explains GEG Executive Chairman Michael Denmark. "Coming from a media and brand background, I saw a unique opportunity. The brands subsidize the offering, enabling us to lower the price to consumers and make it something that's much more attractive."

Denmark is a founder of Branded, a company which organizes well-known events like "All That Matters," "It's a Girl Thing," and "YouTube FanFest" that connect major brands with the public.

"The Wheel has been a game-changer," he says. "It's become so much more than what we thought it would be. It really has become a focal point for the harbor front and Hong Kong."

GEG looks to apply the same model to special events situated near the Hong Kong Observation Wheel when it is again safe to do so. Other major sponsors GEG has partnered with have included Asia Miles, British Airways, Volkswagen, and Tesla. And it's announced another major venture with China Media Capital in which sponsorship will be the major source of revenue as well.

## From Ride Coupons to Season Passes

Corporate sponsorship may not be the right approach for every attraction, but determining the best revenue model and price point are key questions for any company. And while providing fun and entertainment is a constant among operators' visions and mission statements, models for making money continue to evolve.

For the first 25-plus years of its existence, Disneyland's attractions were individually priced. In addition to an admission fee, visitors purchased an A-E coupon booklet. Each type of coupon had a different value, initially ranging from 10 cents to 85 cents. Guests would then present a combination of coupons to ride an attraction, depending on its price. Only in 1981 did Disneyland discard this approach in favor of a general admission ticket, which has since become the industry norm.

This pay-one-price model may not be the best solution for parks and attractions in growing markets, though, according to industry veterans like Mark Wijman, executive director of the strategic consultancy BVLE. Wijman notes that single admission tickets falter when "potential guests don't have the full income required" or they're uncertain about "what they'll get from a park experience."

A number of European city parks—including Tibidabo in Barcelona, Spain; Tivoli Gardens in Copenhagen, Denmark; and Liseberg in Gothenburg, Sweden—still feature a mixed-price strategy composed of gate admission, individual ride tickets, and full-day passes bundled with a ride wristband.

At some point, many attractions will inevitably consider offering season tickets. Norway's Kongeparken, which attracts 250,000 visitors a year during a three-month season, is making this transition for the first time this season, after more than 30 years in the business.

Previously, the park promoted "clip cards" that could be used during multiple visits. Guests could save 13% on five tickets or more than 50% for 15 admissions. The new season pass costs 949 Norwegian kroner, or just a bit more than the cost of two regularly priced tickets.

"We carefully estimated potential attendance and how this would influence ride capacities and the typical queue. We also looked at per capita spending as well as guest surveys and research to verify that there would demand," says Wijman, who advised the park.

## Say Goodbye to Coupons

A different type of mixed-price strategy has become popular with many attractions: dynamic pricing. Most commonly associated with airline tickets and hotel rooms—where companies charge more during peak periods and offer discounts when demand is low—have become more ubiquitous and easier to implement, thanks to companies specializing in these services.

At Gulf Islands Waterpark in Gulfport, Mississippi, General Manager Mark Moore wanted to improve the guest experience. Ticket lines were simply too long. The solution was to entice parkgoers to buy tickets in advance online.

“When Mark decided to focus on guest experience, he didn’t realize he’d eventually land on dynamic pricing, but it quickly became apparent that it was the best strategy to accomplish his goals,” says Evan Reece, CEO of Liftopia. Launched in 2005, Liftopia initially focused on providing dynamic pricing for ski resorts. More recently, the company has expanded to partner with more than a dozen water parks, family entertainment centers, and museums across North America—including Cowabunga Bay in Henderson, Nevada; CoCo Key Water Park in Orlando, Florida; and Skeletons: Museum of Osteology in Oklahoma City, Oklahoma.

“Gulf Islands Waterpark made the decision to move to dynamic pricing based upon our desire to insulate ourselves against unpredictable weather and to maximize revenue by getting full-price tickets on peak days and drive volume on slower days with discounted tickets,” explains Moore.

At first, the park simply offered off-peak discounts online, then later added family fun packs and group admissions for birthday parties ($415 for 20 people, including pizza and sodas, on weekdays, $475 on weekends). During the first season of dynamic pricing in 2018, the park’s online net revenue jumped 50%. By the end of season two, online sales were up another 39%. Moore’s next goal: ensure that three out of every four tickets is sold in advance online. He aims to achieve this by 2021.

The key to moving ticket sales online—aside from offering an attractive price—is ensuring that an attraction has a consistent marketing message across all platforms, including social media, email, print ads, and even when answering telephone inquiries. For Gulf Islands Waterpark, this message is simple: “Buy early and save.”

“Think about it; who wants a guest’s first experience at your park to be standing in line, then forking out money at the end of the line? A guest who can walk straight in and start having fun is a happy guest. Who doesn’t like skipping lines?” Moore says.

And whether it’s through sponsorship, season passes, or dynamic pricing, which park operator doesn’t like a successful pricing strategy?

---

**Michael Switow** is a Singapore-based writer who covers the Asia-Pacific attractions industry for Funworld.