WORKS OF ART
The world's best museum & gallery design

PAUL CARTY
on 15 years of the Guinness Storehouse

DERREN BROWN
The illusionist's mind-bending Thorpe Park ride

Future trends for science centres

The sector's latest tech

Miami Frost science museum

Attractions Foresight™
Predicting the next big thing

JOHN McREYNOLDS
Catching up with IAAPA's new chair

The National Palace Museum in Taiwan attracts so many visitors it's opened a sister site

THE ATTRACTIONS BUSINESS
an overview

part one

In the first of a new eight-part series by David Camp of D&J International Consulting, we give an overview of the global visitor attractions industry and the measures used to assess performance

David Camp

Visitor attractions are an important factor in many people's travel plans. Some choose a destination in order to visit a specific attraction while others decide what to see once they arrive, but it's rare for people not to visit an attraction while they're on holiday.

This means that attractions around the world are well placed to benefit from the rapid growth of the tourism sector.

The World Travel & Tourism Council estimates that direct expenditure on global travel and tourism was worth a huge $2.5 trillion (£1.7tn, €2.2tn) in 2015 and the total economic impact of this sector was $7.9 trillion (£5.5tn, €7tn).

Over the coming months, this series will provide an overview of the attractions sector and how it works from a business perspective. The series will review market size, diversity, dynamics and performance, as well as the all-important financial performance of a range of attractions.

The shape of the market
D&J estimates that there are about 250,000 visitor attractions globally, attracting in the region of 10 billion visits a year. However, it's a very fragmented business. The world's biggest attraction operator is Disney, whose 13 theme parks and waterparks attract 134 million guests annually, generating over $14bn (£9.7bn, €12.4bn) revenue for the company.

Although these are huge numbers, Disney actually draws less than 1.5 per cent of the world's attractions visitors.

Furthermore, combined attendance at the top 10 global operating groups only accounts for 4 per cent of visits.

Most attractions are operated by national, regional or local governments, by small regional groups or by individuals or families. This fragmentation means there's relatively little data available on the industry when compared with the hotel or transportation sectors where there are greater proportions of large operators.

Differences in scale
The museum sector varies widely in size from country to country. For example, there

are around 1,500 museums in Spain, 1,800 in the UK, 3,600 in China, 6,400 in Germany and a massive 16,000 in the US. Between them, they attract almost 1.3 billion visits each year – that's an average of almost 45,000 visits per museum.

Data from the TEA/AECOM Theme Index and Museum Index (see Table 1 on page 56) reveals that admission to the world's top museums and theme parks has grown strongly in recent years.

At the top of the list, the Louvre in Paris is the world's most visited museum, with 9.3 million visits annually. Among zoos, the honour goes to Chapultepec Zoo in Mexico, with 5 million visitors a year – and Disney's Magic Kingdom in Orlando, with 19.3 million guests in 2014, is the most visited park.

PHOTO: SHUTTERSTOCK_T.SCARBROUGH

The Louvre in Paris attracts more visitors than any other museum in the world

" We'll look at visitor behaviour, guest spending, operating cost ratios, market penetration rates and profitability "

Free attractions
Moving outdoors, there are many free-to-enter natural attractions, historic sites and national parks. Visitor numbers to these locations are estimated based on surveys and the volumes are impressive: 9 million to the Great Wall of China; 15 million to the Golden Gate Park in California; 15

million to the Forbidden City in Beijing; 22 million to Niagara Falls and 37 million to New York's Central Park.

These attractions are internationally famous destinations run by large operating teams who have substantial resources at their fingertips. However, the majority of visitor attractions are modest in size and ▶

Table 1 : Attendance at the World's Most Visited Museums and Theme Parks

MUSEUM	LOCATION	2012	2013	2014
Louvre	Paris	9,270,000	9,334,435	9,260,000
National Museum of China	Beijing	5,370,000	7,450,000	7,630,000
National Museum of Natural History	Washington DC	7,600,000	8,000,000	7,300,000
National Air & Space Museum	Washington DC	6,800,000	6,970,000	6,700,000
British Museum	London	5,575,946	6,701,036	6,693,213
National Gallery	London	5,163,902	6,031,574	6,416,724
Vatican Museums	Rome	5,065,000	5,459,000	6,177,000
Metropolitan Museum of Art	New York	6,116,000	6,226,727	6,162,000
Tate Modern	London	5,318,688	4,884,939	5,785,427
National Palace Museum	Taiwan	4,361,000	4,412,000	5,402,000
TOTAL		**60,640,536**	**65,469,711**	**67,526,364**

THEME PARKS	LOCATION	2012	2013	2014
Disney's Magic Kingdom	Orlando	17,536,000	18,588,000	19,332,000
Tokyo Disneyland	Tokyo	14,847,000	17,213,900	17,300,000
Disneyland California	Anaheim	15,963,000	16,202,000	16,769,000
Tokyo Disney Sea	Tokyo	12,656,000	14,084,100	14,100,000
Universal Studios Japan	Osaka	9,700,000	10,100,000	11,800,000
EPCOT	Orlando	11,063,000	11,229,000	11,454,000
Disney's Animal Kingdom	Orlando	9,998,000	10,198,000	10,402,000
Disney's Hollywood Studios	Orlando	9,912,000	10,110,000	10,312,000
Disneyland Park	Paris	11,098,000	10,430,000	9,553,000
Disney's California Adventure	Anaheim	6,341,000	7,775,000	8,769,000
TOTAL		**119,114,000**	**125,930,000**	**'129,791,000**

Disney parks such as Tokyo Disney Sea make up nine of the 10 most visited theme parks in the world, with more than 100 million guests a year

run by small groups, families, volunteers, charities or regional or local governments – without the luxury of deep pockets.

The 80:20 rule

While every attraction is unique, there are similarities and patterns in visitor behaviour, guest spending, operating cost ratios, market penetration rates and profitability across different attraction types. It's these patterns and ratios this series will be examining.

There are also similarities and patterns across attractions in different countries and regions. The 80:20 rule applies in leisure; 80 per cent of what people do is comparable around the world, but it's understanding the 20 per cent local context that makes or breaks an operation.

For example, the basics of running a restaurant are always the same. You need good food and service, an enjoyable ambience and value for money. These are the 80 per cent factors. The 20 per cent is understanding local tastes, patterns and demands. In the Midwestern US, restaurants typically close by 10pm, while in Spain time people are just sitting down to eat at that time. Local context is critical.

The Attractions Business series will discuss the challenges that are facing visitor attractions, highlighting the world's strongest performers and helping to build a deeper understanding of the dynamics of this vital industry. ●

Contact
David Camp, david.camp@djintcon.com
www.djintcon.com