

# Outlook for Attractions

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**MARKETING OUTLOOK FORUM:  
A GLOBAL PERSPECTIVE**



Presented by the Travel and Tourism Research Association

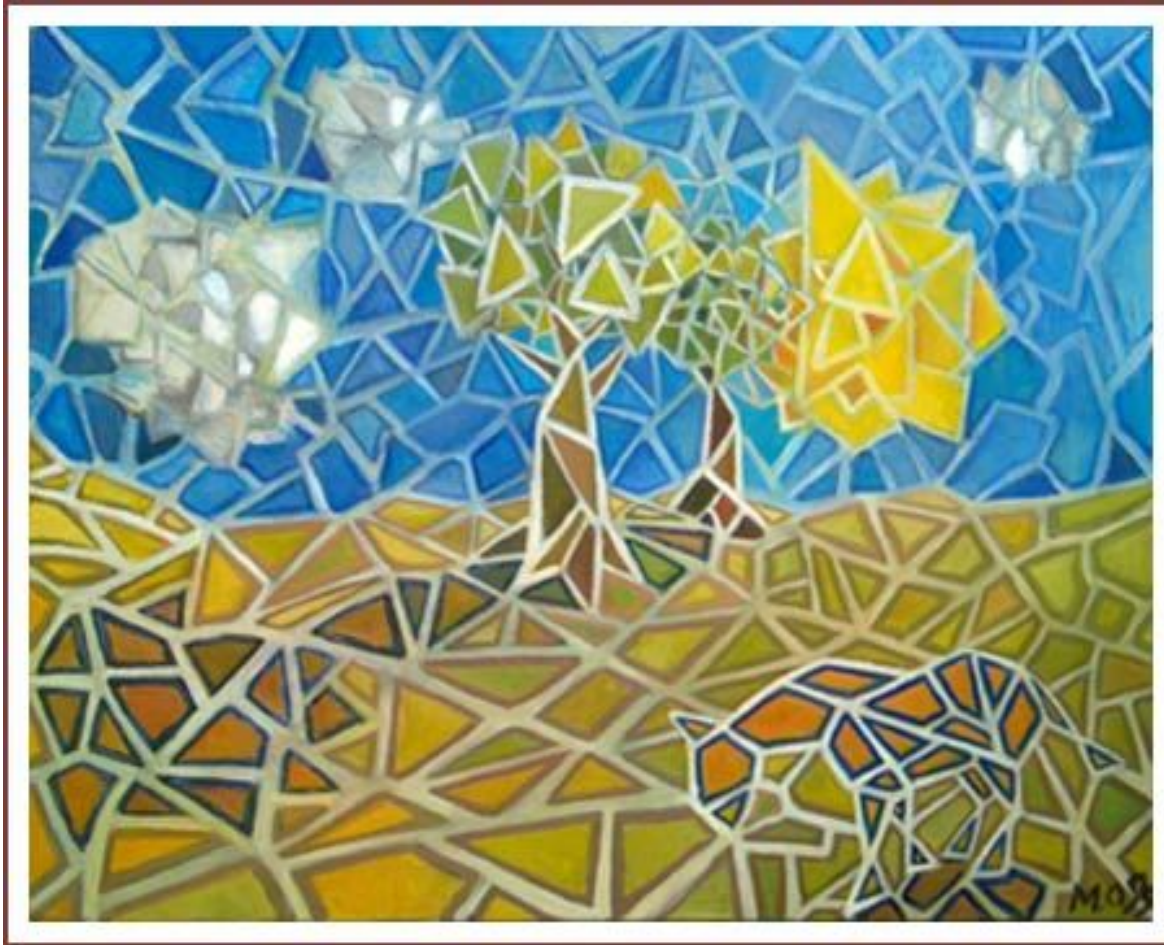
# 2016 Outlook on the Attractions Industry

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*Prepared by*



# Attractions Industry is Fragmented



The “Attractions Industry” covers a lot of ground and includes many different segments.

Many individual segments track performance and understand their customers.

Not everyone agrees on what is and isn’t considered an attraction.

Little information exists in the aggregate.

**But, we do know what *Travel + Leisure* magazine recently identified as the most visited attractions across the world...**

# World's Most Visited Tourist Attractions

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+ *Travel + Leisure Magazine*

01

## No. 1 Grand Bazaar, Istanbul



- **Annual Visitors:**  
**91,250,000**
- This 15th-century bazaar's has since expanded and become increasingly touristy, but locals, too, are among the millions of bargain hunters.
- *Source: Grand Bazaar management*

## No. 2 The Zócalo, Mexico City



- **Annual Visitors:  
85,000,000**
- Formally known as the Plaza de la Constitución, the enormous Zócalo thrums with activity. It hosts military parades, cultural and political events, concerts, exhibitions, fairs, and public art installations.
- *Source: Mexico Tourism Board*

## No. 3 Times Square, New York City



- **Annual Visitors:  
50,000,000**
- Tourists flock to New York's neon heart for the flashing lights, Broadway shows, megastores, and sheer spectacle—including costumed characters eager to pose for photo ops.
- *Source: The Times Square Alliance*

## No. 4 (tie) Central Park, New York City



- **Annual Visitors:**  
**40,000,000**
- New York has larger green spaces, but none is more famous than Central Park, which stretches across nearly 850 acres of prime Manhattan real estate.
- *Source: Central Park Conservancy*



## No. 4 (tie) Union Station, Washington, D.C.



- **Annual Visitors:  
40,000,000**
- Opened in 1907, this busy station shuttles some 12,500 passengers daily in and out of the city. But it also handles millions of tourists who pass through to take in the impeccably mixed architectural styles throughout the colossal building.
- *Source: Union Station*

## No. 6 Las Vegas Strip



- **Annual Visitors:  
30,500,000**
- In 2013, 77 percent of Vegas tourists—30.5 million—chose to stay at hotels right on the four-mile-long Strip.
- *Source: Las Vegas Convention and Visitors Authority*

## No. 9 Niagara Falls, New York and Ontario



- **Annual Visitors:**  
**22,000,000**
- Straddling the border of the U.S. and Canada, three massive waterfalls, together called Niagara Falls, spill about 6 million cubic feet of water— from a maximum vertical drop of 165 feet—every minute.
- *Source: Niagara Tourism & Convention Corp./Canadian Tourism Commission*

## No. 10 Grand Central Terminal, New York City



- **Annual Visitors:**  
**21,600,00**
- Unlike harried commuters, visitors take their time in the main concourse of this Beaux-Arts landmark, pausing to view its glittering ceiling painted with a map of the constellations from the night sky.
- *Source: Grand Central Terminal*

## Other U.S. Tourist Attractions in the Worldwide Top 50

	ATTRACTION	CITY	VOL.
12	Disney's Magic Kingdom	Orlando	18.6M
13	Faneuil Hall Marketplace	Boston	18.0M
15	Disneyland	Anaheim	16.2M
17	Golden State Natl Rec Area	San Fran	14.3M
20	Golden Gate Park	San Fran	13.0M
21	Balboa Park	San Diego	12.9M
22	South Street Seaport	New York	12.0M
23	San Antonio River Walk	Texas	11.5M
24	EPCOT	Orlando	11.2M
29	Disney's Animal Kingdom	Orlando	10.2M

	ATTRACTION	CITY	VOL.
30	Disney's Hollywood Studios	Orlando	10.1M
32	Hollywood Walk of Fame	Hollywood	10.0M
33	Pike Place Market	Seattle	10.0M
34	Great Smoky Mountains Natl Park	Gatlinburg	9.3M
36	Navy Pier	Chicago	8.9M
37	Disney's California Adventure	Anaheim	8.5M
39	Universal's Islands of Adventure	Orlando	8.1M
40	Smithsonian Museum Natural Hist.	D.C.	8.0M
40	Pier 39	San Fran	8.0M
45	Bourbon Street	New Orleans	7.5M

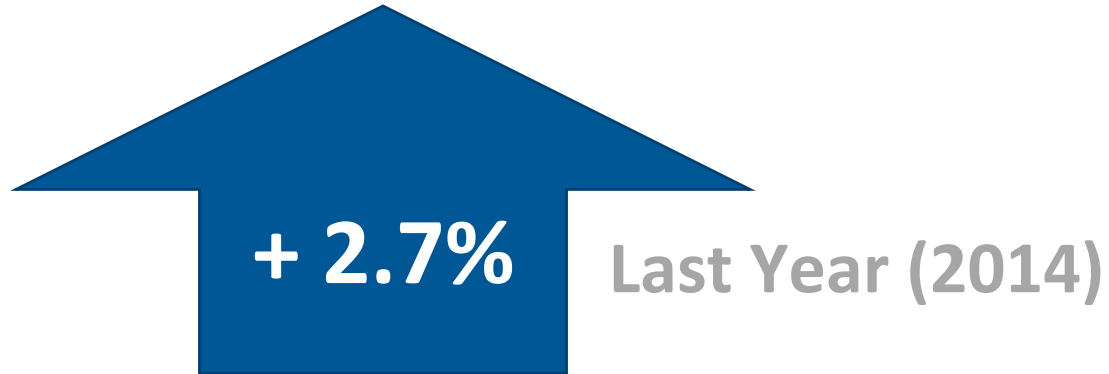
*More than half (26) of the world's 50 largest tourist attractions are in the United States.*

# Performance

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# H2R Domestic Attractions Industry Performance Index

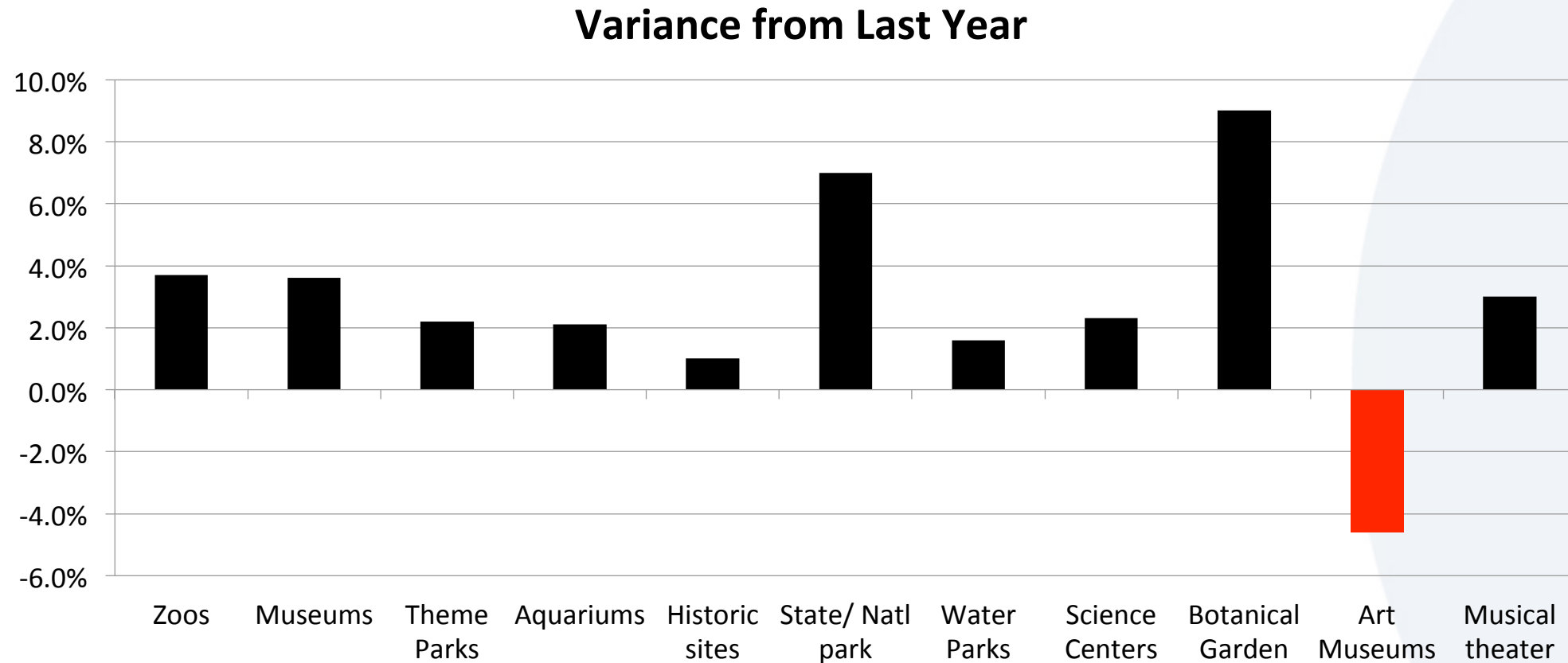


The **H2R Performance Index** indicates that attractions posted a 2.7% increase in 2014, the third consecutive increase since posting a decline in 2011 (-0.7%).

The industry appears to have turned a corner. Growth over the past three years has averaged +2.6% compared to growth over the previous three years ending in 2011 at +0.3%.

# Performance by Segment

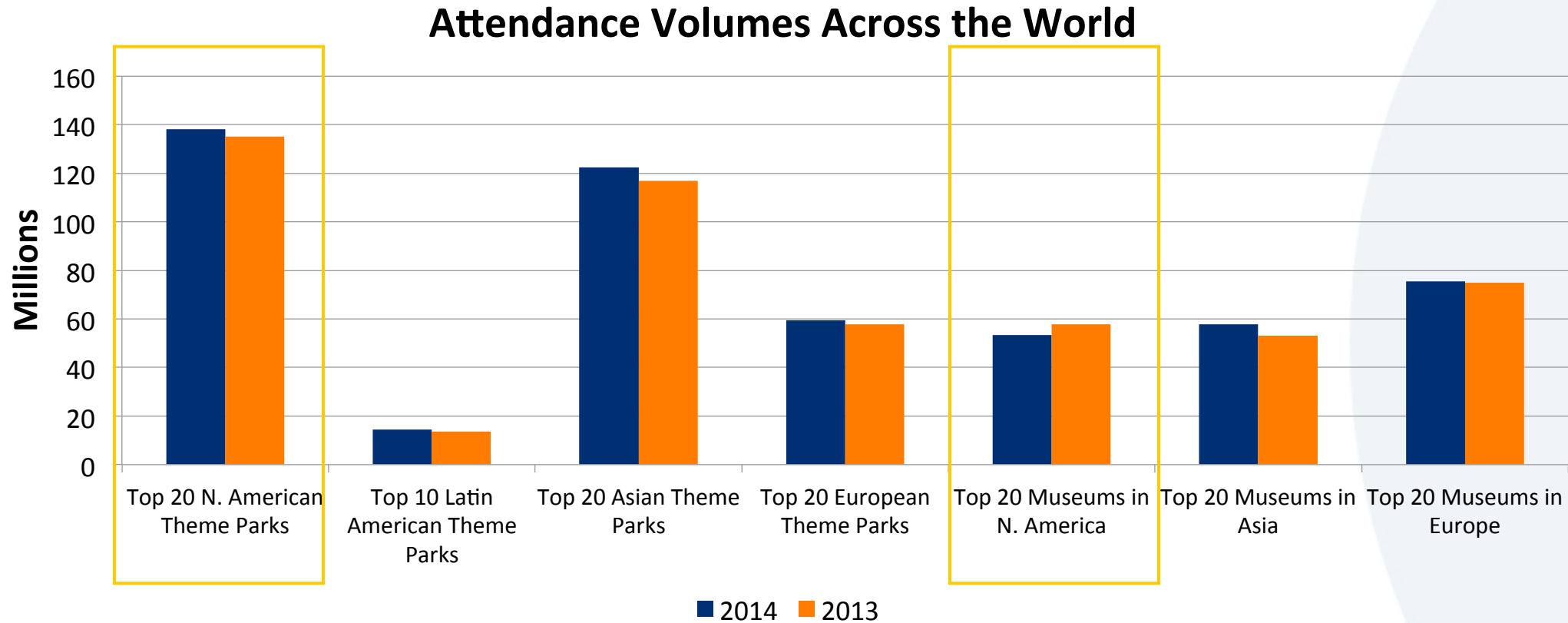
Most segments of the attractions industry were up in 2014.





# Select Attendance Volumes Across the World

U.S. and Asian Theme Parks continue to dominate gross attendance, but Europe's museum attendance rivals the U.S.

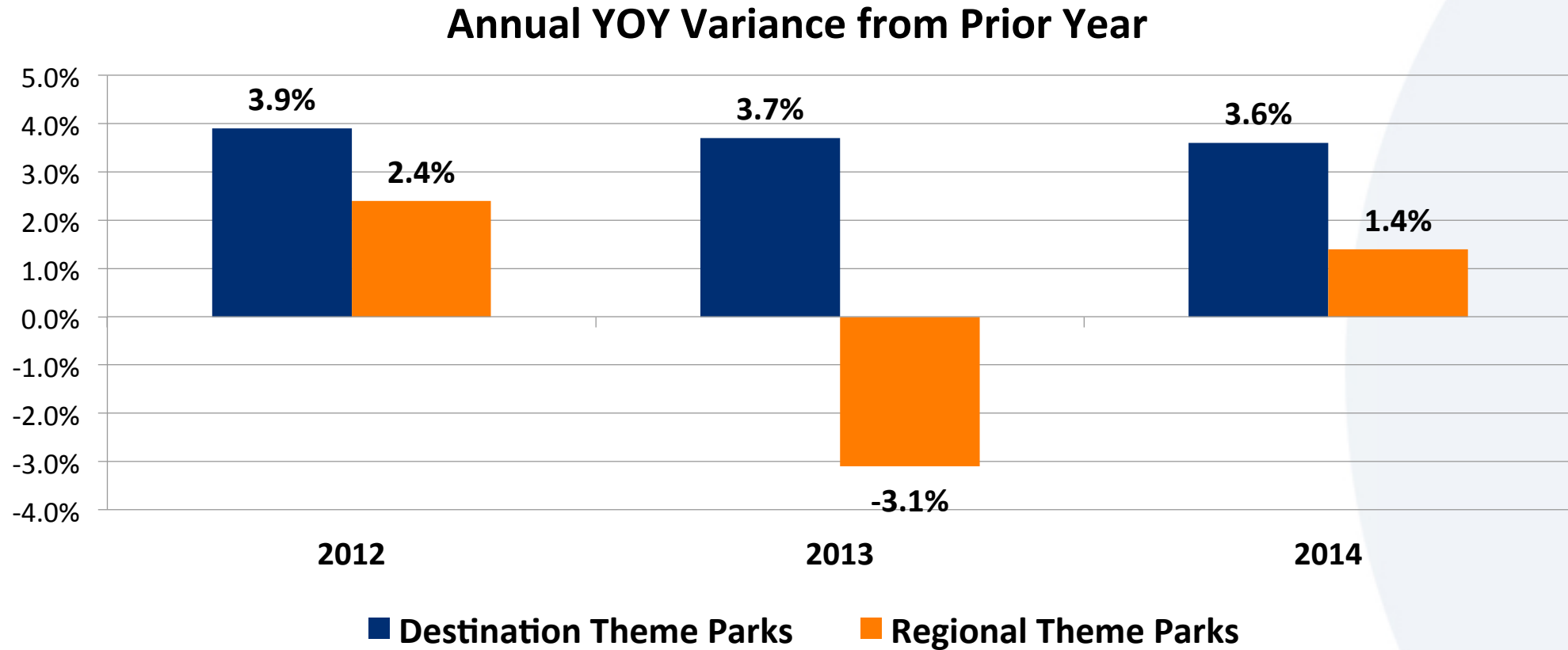


# Worldwide Theme Park & Museum Attendance

Category	2014	2013	2012	Variance	% (+/-)
Theme Park Groups Worldwide	392.0M	377.1M	357.8M	+19.2M	+5.1%
Top 25 Theme Parks Worldwide	223.5M	214.7M	205.9M	+8.8M	+4.1%
Top 20 Water Parks Worldwide	27.6M	26.8M	25.0M	+0.7M	+2.8%
Top 20 North American Theme Parks	138.1M	135.1M	131.5M	+3.0M	+2.2%
Top 10 Latin American Theme Parks	14.4M	13.7M	13.2M	+0.7M	+5.1%
Top 20 North American Water Parks	15.3M	15.0M	15.4M	+0.2M	+1.6%
Top 20 Asian-Pacific Theme Parks	122.5M	116.8M	108.7M	+5.7M	+4.9%
Top 20 Asian-Pacific Water Parks	19.4M	19.1M	16.0M	+0.2M	+1.2%
Top 20 European Theme Parks	59.5M	57.8M	57.9M	+1.7M	+3.0%
Top 20 Museums Worldwide	107.3M	105.6M	98.5M	+1.7M	+1.6%
Top 20 Museums in North America	53.5M	54.9M	56.8M	-1.4M	-2.6%
Top 20 Museums in Asia-Pacific	57.8M	53.0M	41.6M	+4.8M	+9.1%
Top 20 Museums in Europe	75.4M	74.8M	71.5M	+0.6M	+0.8%
<b>GRAND TOTAL/AVERAGE</b>	<b>1306.5M</b>	<b>1267.2M</b>	<b>1199.8M</b>	<b>+46.0M</b>	<b>+3.7%</b>

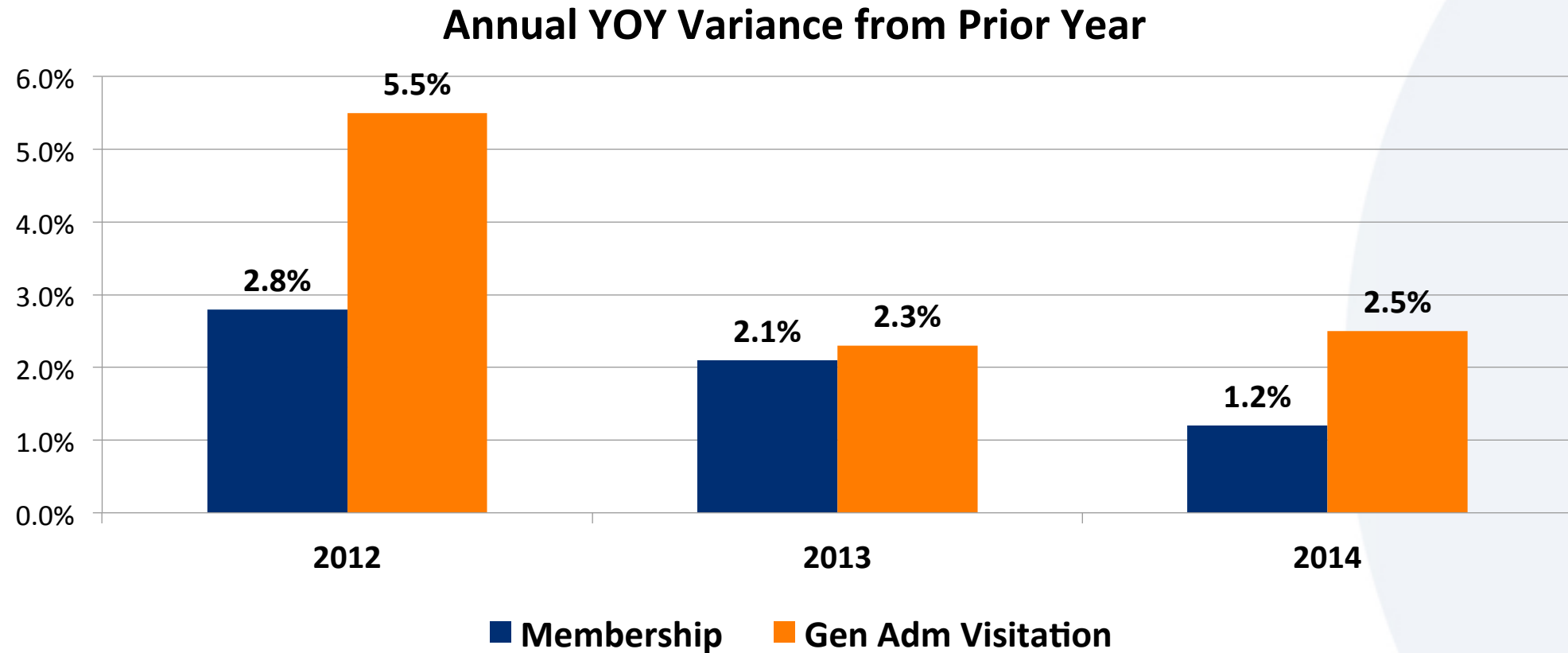
# Top 20 North American Theme Parks – Destination vs Regional

Destination park attendance growth has been outpacing regional parks for the past three years.

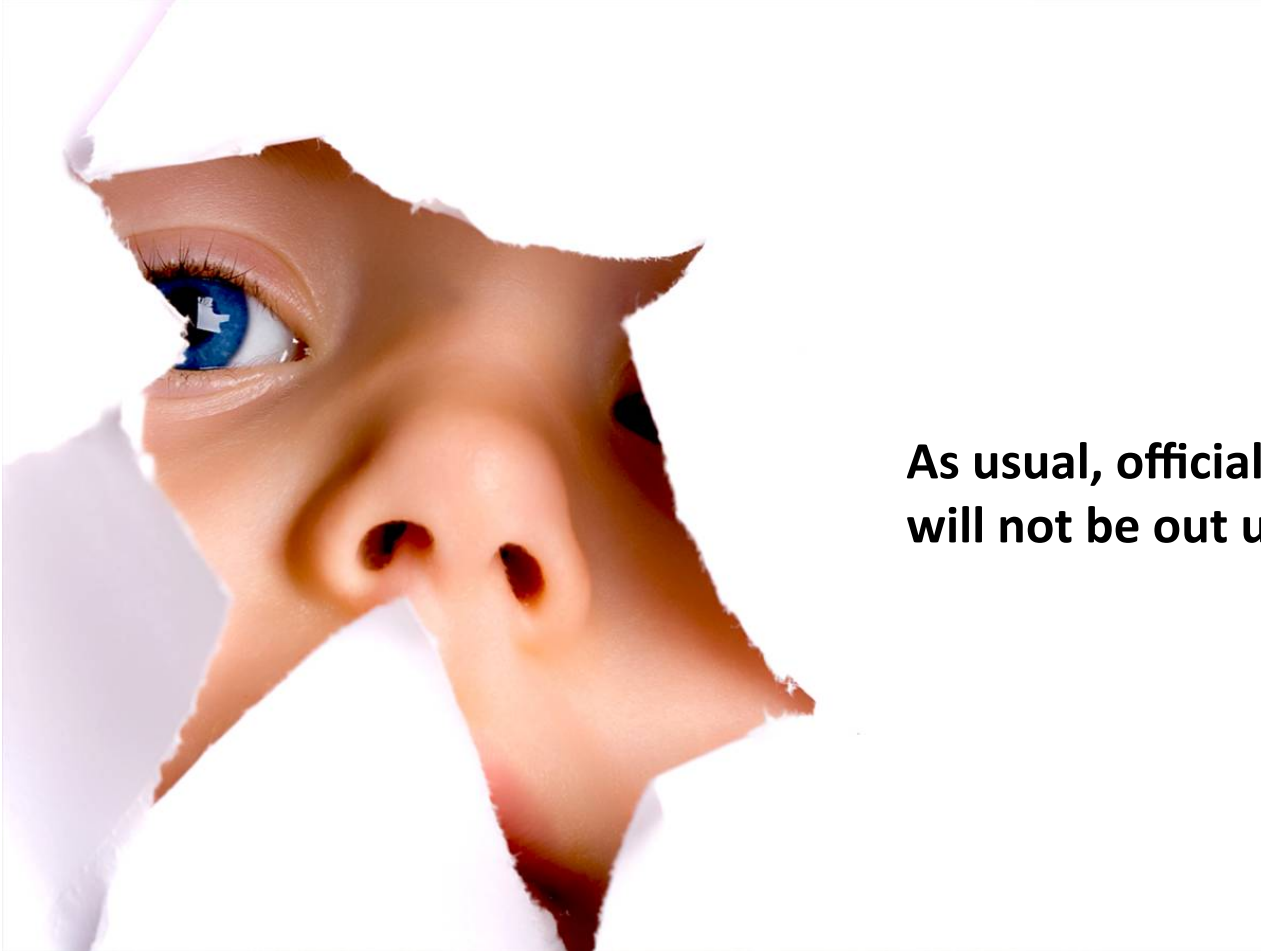


# U.S. Museums – Memberships vs General Admission Visitation

Among U.S. museums, general admission visitation has been growing at a faster rate than membership over the past 3 years.



## Reliable 2015 performance indicators are a year away



**As usual, official 2015 figures  
will not be out until June 2016.**

# Emerging Trends

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## Branded Attractions

- More than 500 branded attractions worldwide.
- These are attractions developed by leading brands, e.g. World of Coke.
- Deterioration of traditional media at reaching Millennials is driving global brands to create experiences to engage consumers and stimulate brand loyalty.
- Hershey's Chocolate World is the #1 brand attraction in the world with 4.1M visitors annually.
- Guinness Storehouse in Dublin is the most visited attraction in Ireland with more than 1.0 million visitors annually.



# Sharing Economy



- Hotels (Airbnb) and Taxi Services (Uber) are well acquainted with the Sharing Economy.
- New PriceWaterhouseCoopers study concluded that renting & borrowing will replace ownership in many other industries too.
- **Sharing Economy seen as:**
  - More affordable
  - More convenient
  - Hurts the environment less
- How might sharing economy impact Attractions Industry?  
On the demand side, we are already seeing increased sharing of beverages & meals; and on the supply side we're seeing Attractions with multiple locations sharing exhibits, ride plans and show concepts.



# Guest Evolution

- **Greater Diversity...**
  - Last decade minority population grew 28.8%, while the Caucasian population grew 1.2%.
- **Higher Incomes...**
  - According to MMGY, 85% of all domestic tourism spending comes from households earning \$50k+.
- **Traveling Further...**
  - Cumulative miles traveled in 2015 are up 3.4% or +42 billion vehicle miles. People are traveling further.



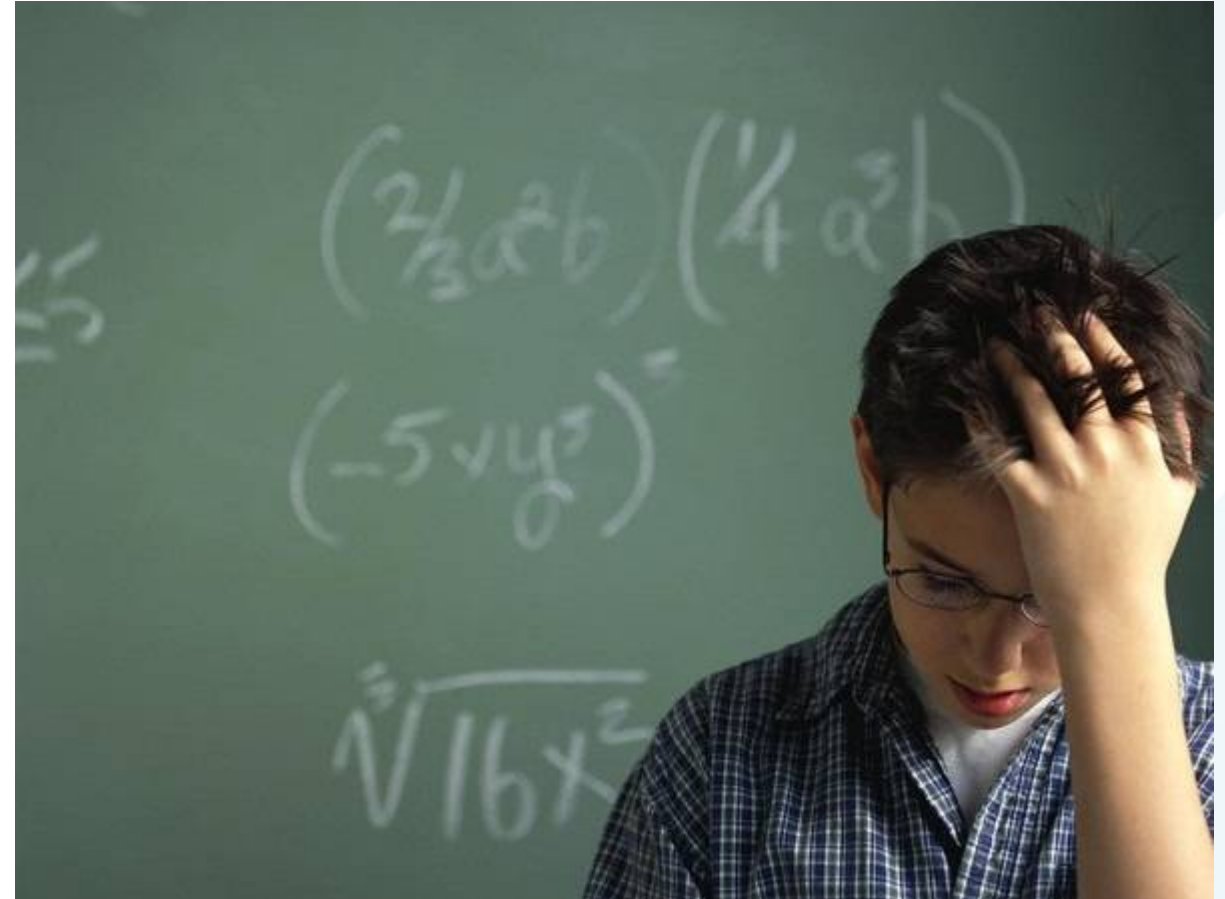
## Technology Enabled



- According to the Pew Research Center, 90% of Americans have cell phones, 64% have a smartphone and 42% own a tablet computer.
- By 2017, more than 3 billion people will have mobile internet access.
- Wifi is already the most important hotel amenity for both leisure and business travelers....
- And, it is rapidly increasing in importance at U.S. attractions.
- Mobile internet not only impacts how travel is sold, but how we consumer and experience the attraction and the destination.

# Predictive Analytics

- According to a KPMG survey of C-level executives, 81% of enterprises rely on analytics to gain greater customer insights.
- Big data fuels predictive analytics. Every transaction and/or consumer touchpoint offers any opportunity.
- Disney has invested a billion dollars in its MagicBands program.
- Half of those using analytics report increased sales as the result of investing and using data and analytics.



# Unused Vacation Time



- Americans use only about half (51%) of their paid time off.
- When they do enjoy a getaway, three in five (61%) admit they still check work email. And, 42% feel guilty for relaxing.
- During vacations nearly a quarter (24%) are contacted by coworkers and 20% by their boss about work related matters.
- The problem is that taking time off is good for both your heart and your productivity.
- The Framingham Heart Study found that vacations reduce the risk of heart disease. Men who jettison vacations are 30% more likely to have heart attacks.
- And, skipping just one year increases your risk of heart disease.

# Outlook for 2016

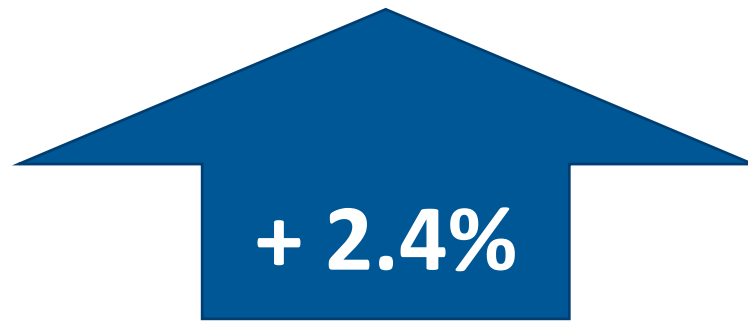
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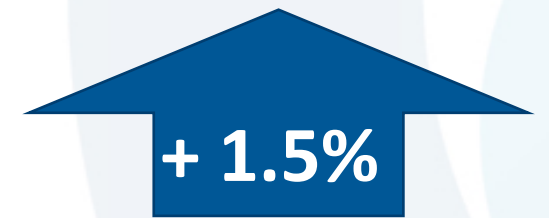
## 2016 Outlook for the Attractions Industry



- Aggregate attractions industry performance is expected to continue its growth pattern in both 2015 and 2016.
- Overall performance is expected to grow by 2.4% in 2015, and by another 1.5% in 2016.

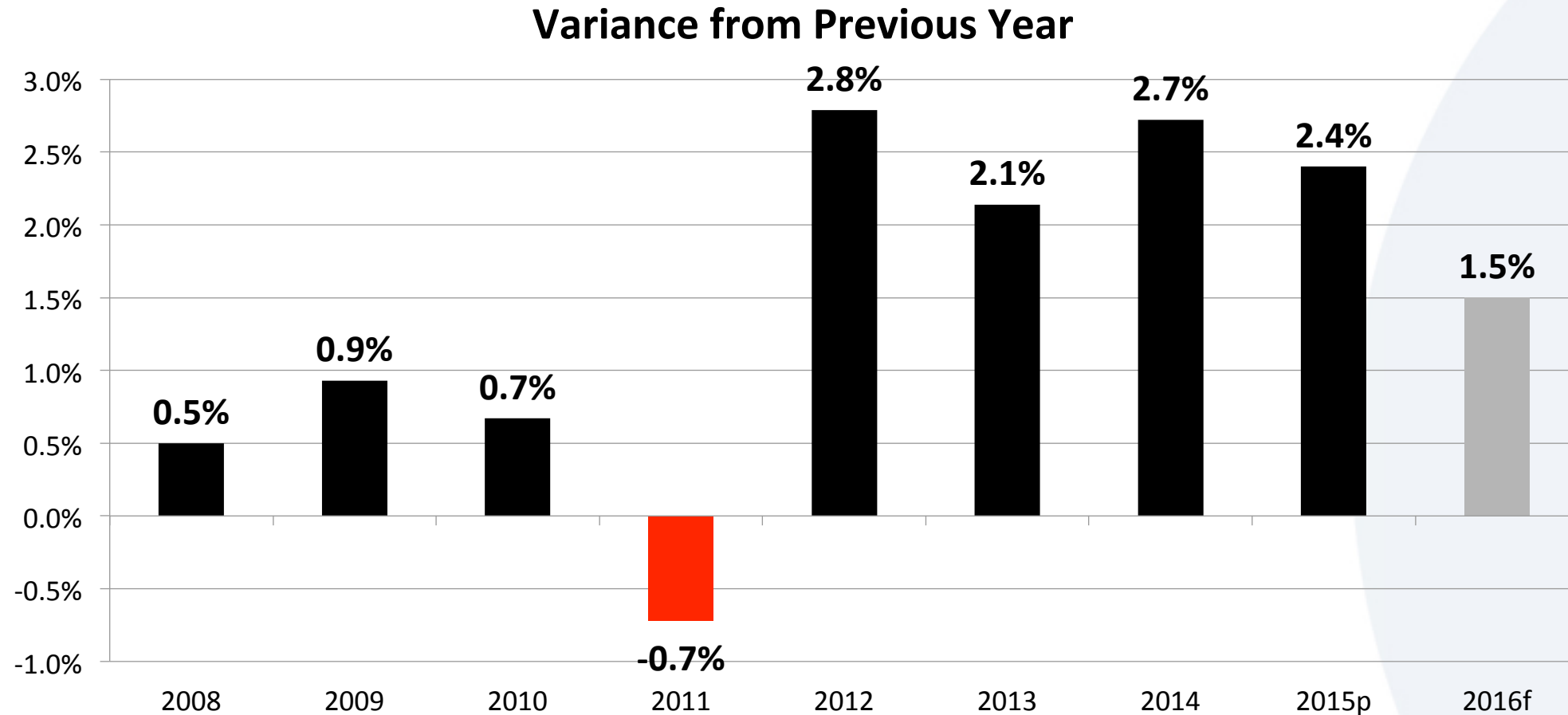


in 2015



in 2016

# The H2R Performance Index is expected to finish 2015 with a 2.4% increase followed by a 1.5% increase in 2016



## Five Key Takeaways

The attractions industry is a **fragmented** market space.

Aggregate attraction industry performance has **grown steadily** the past 3 years.

**Most segments** of the attractions industry are growing.

Expect **slowing, but moderate growth** in 2015 and 2016.

Expect **greater change**, innovation & diversity.



# Thank You!



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