

Research on the Strategy of Improving the Economic Benefits of Theme Parks under the Background of Smart Tourism

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Abstract. The theme parks enter the visitors' horizons through its unique connotation and enrich the content of tourism resources. This paper analyses the problems of the theme park in terms of profitability through economic benefit evaluation indicators and proposes strategies to optimize the profit model, expand sales channels, increase the participation of tourists, improve the value of tourism service experience and build smart spots to provide intelligent services for tourists to improve the economic benefits of theme parks.

1. Introduction

Theme parks refer to modern high-end projects, which satisfy various needs of tourists through one or more existing themes that settled by high-tech technology and three-dimensional setting methods, and it also integrating entertainment, dining, shopping, leisure, vacation and other functions into one.

The development of theme parks can be traced back to early amusement parks. In 1952, the Dutch's miniature landscape park, which brought together more than 100 landscapes in the Netherlands, was the ancestor of the theme park. Most of Europe's theme parks are built in densely populated and economically developed countries such as Britain, France and Germany. In recent years, theme parks in Eastern and Southern Europe have also been developing rapidly. The theme parks in the United States have a leading position in the world. Following the opening of Disney, the world's first large-scale theme park in California in the mid-1950s, Disney's concept has gradually spread to various countries and regions around the world, and it incorporated local characteristics to form new theme parks. Due to its developed economic, the United States has a variety of theme parks, including Disney, Universal Studios and Universal Carnival. The theme park developed late in Asia. Japan has emerged as the first theme park in Asia due to its high economic level, and has always dominated the market development in Asia. The theme park entered its heyday in this century, and large-scale theme parks dominated by European and American countries began to develop chain industries, and there has been a global expansion.

Although the domestic theme park developed later than the western countries. The investment is small, but the speed is rapid. China's first theme park, China Embroidery, was created in Shenzhen since 1989. In the past 30 years of growth, it has been divided into four main stage: first, the beginning of the exploration from the late 1970s to the late 1980s; followed by the diversification and large-scale development stage from 1990 to 1998; then the third stage from 1999 to 2005. The investment is even higher, and with the development of resort real estate and hotel accommodation industry, brand awareness has begun to be formed. The fourth stage is from 2006 to now; the leading enterprises in domestic theme parks have begun brand expansion and extension, and chain operations in the country. At this stage, the market structure of theme parks has basically taken shape. At present, the theme park has entered a period of rapid development, and many global brands are scrambling to intervene in Chinese market.

2. Theme Park Features

2.1. Exquisite Products, High-Tech Means of Expression

The theme park uses a variety of high-tech means to turn the fantasy in people's mind into a reality that can be experienced and felt, making visitors feel like they are immersive in the entertainment experience that cannot be achieved on weekdays. At the same time, the design and production of tourism products should be exquisite and refined products can ensure repeat visits by tourists.

2.2. Original Theme

The unique theme is the theme park's ability to operate successfully, and it must have independent and innovative theme content and form. For example, Disney has acquired a good reputation and benefits with its irreplaceable originality--the dreamy and romantic fairy tale world.

2.3. Higher Investment, Greater Risk

Theme parks are of a specific size and scale determines the floor space and equipment they need. In the early stage of construction, it is necessary to invest a large amount of money to build and purchase equipment. In the later stage of operation, it is necessary to maintain and expand. The theme park is operated to obtain profits, and there is a greater risk involved in this. According to relevant data, there are more than 300 theme parks with a capital investment of more than 0.5 billion Yuan. Only 10% are of profit, the balance of profit and loss accounts for 20%, and the remaining 70% are at a loss or going out of business.

2.4. The Life Cycle is of Continuous Innovation

The theme park is an investment project with a complete life cycle. After experiencing, the attraction to tourists will inevitably be reduced, and results in a stagnant development or entering a recession. If theme parks want constantly attracting tourists, the key is to continuously innovate and extend the life cycle. Continuous innovation in the life cycle can not only meets the needs of tourists, but also promotes the advancement of the tourism industry and the prosperity of the tourism market.

3. Economic Benefit Evaluation Index of Theme Park

3.1. Payback Period

It is the return to the current period, which is an important indicator to measure the profitability of the project. It usually expressed by years. The static investment payback period (P_t) refers to that when calculating the time used in total funds invested in the project, regardless of the value of time. Generally, it can be counted from the year when the construction starts, it can also be counted from the year of production. The dynamic investment payback period (P_t') is based on the value of time when calculating the time limit for the recovery of input funds.

3.2. Return on Investment

It is also known as the rate of return on investment, it refers to the annual interest-earning profit before the project's normal production period or the annual average profit before interest and tax during the operation period divide the total investment of the project funds, indicating the profitability of the total investment of the project. The calculated should be compared with the average of the industry. When the total investment return rate is greater than or equal to the average total return on investment, it explains that the profitability expressed by the total investment return rate meets the requirements, and the project is financially acceptable.

3.3. Return on Equity

It refers to the total profit of the project divide the total amount of capital. When the return on equity is higher than that reference value of the same department or industry or the minimum profit margin expected by investors. It indicates that the capital profitability of the project is still all right.

3.4. Net Present Value

It refers to the basic rate of return or the set discount rate, and it equals to the sum of the discounted value of the cash inflow expected to be realized by the project investment minus the discounted value of the cash outflow of the project. It is an evaluation index for measuring the profitability of a project. It indicates the present value of the excess profit that the project can obtain in addition to the required benchmark rate of return or the profitability required according to the expected discount rate. It can also evaluate whether the project is feasible. When $NPV > 0$, the project is feasible; when $NPV < 0$, the project is not feasible. The bigger the NPV , the better the project.

3.5. Financial Internal Rate of Return

Also known as the internal rate of return, it equals to the total value of the current value of the capital inflow of the investment project minus the current value of the capital outflow, that is, the discount rate when the net present value is equal to zero. It is a dynamic indicator for evaluating the profitability of the project. It is the real investment interest rate of the project itself, and the rate of return that the investment is eager to achieve. The bigger the better. The criterion is $FIRR \geq i_c$, which is feasible, and vice versa is not feasible.

4. Problems in the Profitability of Theme Parks under the Background of Smart Tourism

4.1. The Value Chain Profit Model is Relatively Single

Ticket prices for domestic theme parks are generally higher, and most of the theme parks' revenue sources are mainly tickets. 80% of domestic theme park revenue comes from ticket sales, while derivatives and other profitable channels account for only 20%. Moreover, the special gifts, catering, and accommodation industries are not only high in price, but also in poor service attitudes. An important reason for the loss of about 70% of theme parks in China is that the profit model is relatively simple. Disney has always been committed to diversification of its profit model with a 3:3:4 ratio of ticket revenue, shopping income and other income.

4.2. The Theme is Not Clear, Lack of Features and Innovation

At present, the theme of domestic theme parks is not clear, reproducible, and lacks features. Some theme parks are still copying and imitating successful foreign theme parks, including copying foreign business models, modelling foreign amusement facilities and building many "four unlike" parks. Even some parks cannot accurately grasp the market characteristics of festivals resulting in the performance projects are not creative and insufficient freshness. In addition, the theme parks do not take the initiative to carry out innovative changes; many projects have remained unchanged for many years, resulting in low market acceptance and low tourist revisit rate. It is difficult to form economies of scale.

5. Strategic Suggestions

5.1. Optimize the Profit Model, Extend the Industrial Value Chain, and Increase the Comprehensive Operating Income

For a long time, the purchase of tickets in the scenic spot has been regarded as a once consumption when tourists entering the park. At present, most of the theme parks in China mainly adopt this ticket-based profit model, and the distribution ratio of ticket income and other income such as food and beverage has been as high as 8:2, while typical representative of foreign theme parks, Disney, is always diversifying its profit model. The distribution ratio of ticket income, shopping income, food

and other income is 3:3:4. It can be seen that compared with foreign countries, the domestic is relatively simple, and the Sun tribe also inevitably adopts this relatively single mode in the early stage of operation. If the theme park wants to continue to develop, it is necessary to form a diversified, multi-level profit system and extend the value chain. Actively support the development of various functional profit points under the support of certain economic capabilities based on the successful experience of foreign theme parks, and we should also actively develop projects and commodities with independent intellectual property rights, and actively cooperate with linkage industries.

5.2. Achieve Flexible Ticketing, Expand Sales Channels and Increase the Number of Visitors

The theme park should reasonably set the ticket price and try to achieve the one-price system of ticket prices. The Sun Tribe Theme Park has done a good job in this regard. In the formulation of ticket prices, it is also possible to flexibly manage fares according to market demand and changes, and design flexible and targeted price combination systems based on factors such as park size, holidays, special consumer groups, and light seasons. For example, domestic theme parks can take various forms such as holiday fare and daily fare, daytime fare and night fare, one-day fare and multi-day fare, annual ticket, semi-annual ticket and VIP member custom ticket, or different fares for different objects, such as children's price, old age, student price, disabled price, group price, etc. We can also encourage visitors to keep the tickets for this purchase as a voucher for visitors to buy tickets for the next time. While implementing flexible tickets, it is also necessary to broaden the ticket sales channels. Theme parks can cooperate with other tourism companies to expand indirect ticket sales channels, such as launch special packages through the online websites and city network. In addition, a ticket reservation service is required. This will meet the needs of different types of consumers, and gain more income on non-holidays, and increase the revisit rate. The Sun Tribe Theme Park is relatively flexible in terms of ticket price execution. There are adult prices, children's prices, student prices etc., and annual fares are introduced. In some special holidays, such as March 8th, Teacher's Day, etc., the fares for special people are introduced. The fare has also been introduced to the crowds of the Jinan provincial capital city group to launch a 30-yuan fare, which has attracted many people to visit the park. However, the implementation of this flexible price should continue to adhere to and expand the scope of implementation.

5.3. Rolling and Updating Entertainment Projects to Extend Product Life Cycle and Increase Visitors' Participation

Domestic theme parks should learn from the concept of "never build" in foreign theme parks, roll up and update entertainment projects, and implement regular updates of entertainment equipment, so as to eliminate aesthetic fatigue, allow more tourists to consume and make life cycle longer. At the same time, more recreational projects should be set up to enhance the participation of tourists and the interaction between tourists and staff, thus giving visitors different spiritual experiences, meeting the different experience needs of tourists and increasing the rate of revisiting.

5.4. Pay Attention to the Cultural Brand Benefits, Introduce Advanced Management Concepts, and Improve the Value of Tourism Service Experience

The key to successful long-term operation of theme parks is to have a distinctive culture and it is important to fully exploit this cultural taste and apply it properly to project products. Only a unique cultural brand image with creativity can make the theme park more attractive. Using the cultural IP elements to create a sense of theme, only by implanting your own original IP and telling your own brand story, can you achieve consumption upgrades. For example, Sun Tribe Theme Park in Tai'an is a typical cultural theme park with Dawenkou culture. It makes advantage of various marketing tools to promote and shapes a good cultural brand image, expands its reputation, and make visitors know the latest information of the park timely and effectively, and through a series of exciting promotions, stimulates more visitors to the Sun Tribe Theme Park to experience and consume. Of course, while deepening the cultural connotation of Dawenkou, it is also necessary to pay attention to the psychological needs of local residents and protect the local special culture.

While paying attention to the benefits of cultural brands, it is also necessary to introduce advanced foreign business concepts and improve the service concept of employees. In order to form a service concept that aims to provide tourists with good quality service, it is necessary to conduct regular training for employees, improve their professional quality, and formulate uniform and perfect service standards. At the same time, it is necessary to further strengthen the convenient facilities of the park, establish a graphic display system and landscape interpretation system for theme parks, so that visitors can understand various amusement facilities more intuitively. In this way, we can better serve the tourists and make the tourists really enjoy it, thus enhancing the experience value of the tourists.

5.5. Efficiently Combine VR Technology to Build Smart Tourist Attractions and Realize the Intelligentization of Tourist Services

Through the combination of intelligence and personalization, smart tourism can continuously improve the tourist experience and promote the further development of tourism. Internet and information technology have greatly improved compared with traditional tourism in integrating tourism resources, improving tourist travel experience, and improving tourism management and service levels. The competition between theme parks is becoming more and fiercer. In order to retain tourists and obtain high satisfaction, it is necessary to build smart tourist attractions. The intelligent theme park will become a new trend in the development of theme parks in the future. To build a smart scenic spot, we need to pay attention to the construction of smart tourism infrastructure, effectively combine VR technology, carry out smart marketing, launch VR immersive experience, and realize virtual garden. With the advantage of e-commerce, we can realize the integration of the six elements of tourist tourism, timely understand the needs of tourists, and continuously develop the needs of tourists, so that tourists can truly gain a new perception experience through the development of information technology. In order to reduce the crowdedness of tourists and the time and spiritual cost of long queues, we should try to strengthen the realization of smart tourism to the management of scenic spots, effectively guide the flow of tourists, and timely display the number of tourists in each scenic spot. Finally, realize the intelligent management of employees and provide perfect intelligent services for tourists through the construction of the intelligent tour guide navigation system, a smart supporting service system which including catering and shopping, internal transportation, building of a smart tourist satisfaction evaluation system and cultivating smart service talents.

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