

HVS Monday Musings: India's Budding Amusement & Theme Parks Sector

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India's amusement & theme parks industry is still nascent, accounting for only a minuscule global market share, however, demand in this segment is expected to increase in the future. Read on to know more.

Experiential travel has been on the rise, especially in the post-pandemic era, and Amusement & Theme Parks, which have long been considered the epitome of this trend, are once again becoming popular with tourists. Be it Disney Parks and Resorts, Universal Theme Parks, Legoland, and Genting, are all witnessing a strong recovery in attendance and per-visitor spending. For instance, Disney reported a 40% increase in per-capita theme park spending in 2022 compared to 2019, and, as per media articles, its passes and packages, including the limited-edition Disney Parks Around the World vacation package priced at a whopping \$110,000 are selling out in record time. As a result, the global amusement & theme parks market estimated to be worth US\$55 billion in 2022 is expected to grow at 5.2% CAGR to reach US\$82 billion by 2030.

Even though India's first amusement park, Appu Ghar, welcomed visitors in 1984, the country's amusement & theme parks industry is still in its nascent stage, accounting for only 1% of the global market, as per media reports. Currently, there are 150 amusement and theme parks in India, of which 15-20 are sizable. Imagicaa, Wonderla, Nicco Park, EsselWorld, Water Kingdom, and Ramoji Film City (which holds a Guinness World record for being the largest film studio complex, spanning over 2,000 acres) are some of the more popular parks in the country that on an average attracted more than a million visitors annually during the pre-pandemic era. In comparison, as per a recent report, global counterparts like Walt Disney's Magic Kingdom in Florida hosted 20 million attendees annually before the pandemic, while Universal Studios in Orlando generated a footfall of 11 million. Even the regional players such as Chimelong Ocean Kingdom (11.7 million visitors in 2019) in China and Everland (6.6 million visitors in 2019) in South Korea generated much greater footfalls compared to India.

The fact that theme parks abroad have been successful in drawing both domestic and foreign visitors is one of the main causes of this, as theme parks in India are primarily frequented by the local population and have not yet been able to attract foreign tourists. International parks offer visitors a distinctive and memorable vacation experience by offering not only unique themes, rides, and activities but also a variety of lodging options like on-site resorts, hotels, and even campgrounds. For instance, Disney Parks and Resorts offer a range of on-site lodging options from budget to ultra-luxury to cater to a wide range of guests and boast of having 173 rides, while Imagicaa - one of the most popular parks in India -

has only 25 rides.



Demand for theme parks is expected to increase in India over the next few years driven by increasing disposable income, favorable demographics, changing consumer preferences, growing affinity towards experiences, and a dearth of limited outdoor entertainment activities in cities. The state governments in the country are starting to realize the potential of amusement parks and are likely to implement conducive policies. The Chief Minister of Goa, for instance, has recently announced plans to lease unused industrial land to theme parks to boost employment in the state.

To draw in a larger audience, the industry players must constantly innovate and introduce fresh themes, top-tier products and experiences, as well as focus on stronger marketing strategies and can learn a lot from their global counterparts. Disney alone can teach us a lot, as its theme parks account for 33% of the company's revenue and a similar model could be applied to Ramoji Film City, which receives about 1.5 million visitors annually. By effectively using data analytics and management, Disney has been able to upgrade its services quickly and has become a must-see attraction and a destination in itself at most locations where it is present.

Infrastructure and service quality are only a small part of the appeal of international theme parks. Disney Parks and Universal also generate a personal and emotional connection with the visitors, with their characters moving around the premises, reminding visitors of their stories. Indian theme parks can take a leaf out of their playbook and design theme parks that leverage India's strengths or represent India's unique heritage and culture, which will also help attract international tourists. New technological advancements like Augmented Reality (AR) and Virtual Reality (VR) can also help with this. Indian industry players should also adopt international safety standards to provide top-notch services to tourists. Additionally, partnering with hotel companies to develop and operate on-site hotels or resorts, can be a win-win for both stakeholders as on-site accommodation will enhance the visitor experience while providing the hotels with guests and high occupancy.

