INDUSTRY SYNOPSIS:
NAICS 713110 – AMUSEMENT AND THEME PARKS

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I. SCOPE OF STUDY

A. INDUSTRY DEFINITION

According to the 2002 North American Industrial Classification System (NAICS) Manual, NAICS 713110, Amusement and Theme Parks, comprises establishments, known as amusement or theme parks, primarily engaged in operating a variety of attractions, such as mechanical rides, water rides, games, shows, theme exhibits, refreshment stands, and picnic grounds. These establishments may lease space to others on a concession basis.

Industries similar to but excluded from NAICS 713110 include:

- Establishments primarily engaged in operating mechanical or water rides on a concession basis in amusement parks, fairs, and carnivals or in operating a single attraction, such as a waterslide—are classified in Industry 713990, All Other Amusement and Recreation Industries.

- Establishments primarily engaged in operating refreshment stands on a concession basis—are classified in Industry Group 7222, Limited-Service Eating Places.

- Establishments primarily engaged in supplying and servicing coin-operated amusement (except gambling) devices in other’s facilities—are classified in Industry 713990, All Other Amusement and Recreation Industries.

- Establishments primarily engaged in supplying and servicing coin-operated gambling devices (e.g., slot machines) in places of business operated by others—are classified in Industry 713290, Other Gambling Industries.

- Establishments primarily engaged in organizing, promoting, and/or managing events, such as carnivals and fairs, with or without facilities—are classified in Industry Group 7113, Promoters of Performing Arts, Sports and Similar Events.

Primary Output Definition

The primary output of this industry is access to an amusement park’s (or center’s) rides and attractions, as well as live entertainment in the form of musical and theatrical shows, which is generally included in the price of admission. Additional services include concessions, arcades, and merchandise sales (e.g. t-shirts, toys). Customers typically pay additional fees for these services.

Due to the large cost of capital investments, amusement park service lines are relatively consistent over time. Parks generally maintain the same rides for many years, while adding a few new attractions each year. In addition, most theatrical and musical shows are consistent throughout each season, because it takes time to train the performers and create a production.
**Unit of Measure**

For park admissions, prices are to be measured as an average per person for a specified period of time such as a day or week. For the remaining services prices are to be measured as actual transaction prices per item.

**B. CONTEXTUAL OVERVIEW**

The following table provides statistics about NAIC 7131101, Waterparks and NAIC 7131102, Amusement Parks, and their size relative to industry group 7131, Amusement Parks & Arcades. *The chart only includes establishments that are subject to federal income tax.*

<table>
<thead>
<tr>
<th></th>
<th>7131</th>
<th>7131101</th>
<th>7131102</th>
<th>% of NAIC 7131101 to 7131</th>
<th>% of NAIC 7131102 to 7131</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts (1,000)</td>
<td>8,418,476</td>
<td>342,958</td>
<td>6,828,719</td>
<td>4.07%</td>
<td>81.12%</td>
</tr>
<tr>
<td>Employment</td>
<td>138,930</td>
<td>3,995</td>
<td>106,794</td>
<td>2.88%</td>
<td>76.87%</td>
</tr>
<tr>
<td>Establishments</td>
<td>3,344</td>
<td>157</td>
<td>450</td>
<td>4.69%</td>
<td>13.46%</td>
</tr>
</tbody>
</table>

*1997 U.S. Census*

Amusement and theme parks are a significant component of the amusement, gambling and recreation industry. The graph below shows the relative importance of 7-digit industries within NAIC 713110.

**NAIC 7131101 and NAIC 7131102 Share of NAIC 713110**

Amusement parks compete with many other forms of entertainment, such as shopping malls, movie theaters, golf courses and swimming pools. Competition is also a function of people’s spending and budgeting habits.

Amusement park demand is similar to demand for other amusement services in that the expenditure is discretionary and can be postponed if economic conditions are not good. Furthermore, any use of funds that would otherwise be allocated toward a vacation—such as a
kitchen remodel, a refinanced mortgage or a new car—will cause consumers to spend less money at amusement parks.

II. INDUSTRY OVERVIEW

A. NUMBER OF ESTABLISHMENTS AND COMPANIES

The 1997 Economic Census reported that there were 607 establishments in NAIC 713110, including 157 waterparks in NAIC 7131101 and 450 amusement and theme parks in NAIC 7131102.

B. SIZE AND TYPE OF PRODUCTION BY SIZE

The following tables show how the number of establishments, value of shipments and employment data vary among establishments of different sizes. The first table measures establishment size according to revenue.

<table>
<thead>
<tr>
<th>Establishment Size</th>
<th>Number of Establishments</th>
<th>% of Estab. Total</th>
<th>Cumulative Total</th>
<th>% of Emp. Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to $99,999</td>
<td>14</td>
<td>4.68%</td>
<td>14</td>
<td>39</td>
</tr>
<tr>
<td>$100,000 to $249,999</td>
<td>25</td>
<td>8.36%</td>
<td>39</td>
<td>120</td>
</tr>
<tr>
<td>$250,000 to $499,999</td>
<td>30</td>
<td>10.03%</td>
<td>69</td>
<td>385</td>
</tr>
<tr>
<td>$500,000 to $999,999</td>
<td>51</td>
<td>17.06%</td>
<td>120</td>
<td>1103</td>
</tr>
<tr>
<td>$1,000,000 to $2,499,999</td>
<td>59</td>
<td>19.73%</td>
<td>179</td>
<td>2021</td>
</tr>
<tr>
<td>$2,500,000 to $4,999,999</td>
<td>31</td>
<td>10.37%</td>
<td>210</td>
<td>2429</td>
</tr>
<tr>
<td>$5,000,000 to $9,999,999</td>
<td>15</td>
<td>5.02%</td>
<td>225</td>
<td>1820</td>
</tr>
<tr>
<td>$10,000,000 to $24,999,999</td>
<td>11</td>
<td>3.68%</td>
<td>236</td>
<td>5093</td>
</tr>
<tr>
<td>$25,000,000 to $49,999,999</td>
<td>21</td>
<td>7.02%</td>
<td>257</td>
<td>h</td>
</tr>
<tr>
<td>$50,000,000 to $99,999,999</td>
<td>7</td>
<td>2.34%</td>
<td>264</td>
<td>h</td>
</tr>
<tr>
<td>$100,000,000 or more</td>
<td>35</td>
<td>11.71%</td>
<td>299</td>
<td>l</td>
</tr>
</tbody>
</table>

1997 U.S. Census
h: 2,500-4,999 employees
l: 50,000-99,999 employees
### Waterparks

<table>
<thead>
<tr>
<th>Establishment Size</th>
<th>Number of Establishments</th>
<th>% of Estab. Total</th>
<th>Cumulative Total</th>
<th>Empl. Total</th>
<th>% of Empl. Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to $99,999</td>
<td>6</td>
<td>13.33%</td>
<td>6</td>
<td>9</td>
<td>0.32%</td>
</tr>
<tr>
<td>$100,000 to $249,999</td>
<td>1</td>
<td>2.22%</td>
<td>7</td>
<td>a</td>
<td></td>
</tr>
<tr>
<td>$250,000 to $499,999</td>
<td>5</td>
<td>11.11%</td>
<td>12</td>
<td>70</td>
<td>2.52%</td>
</tr>
<tr>
<td>$500,000 to $999,999</td>
<td>9</td>
<td>20.00%</td>
<td>21</td>
<td>156</td>
<td>5.61%</td>
</tr>
<tr>
<td>$1,000,000 to $2,499,999</td>
<td>14</td>
<td>31.11%</td>
<td>35</td>
<td>495</td>
<td>17.81%</td>
</tr>
<tr>
<td>$2,500,000 to $4,999,999</td>
<td>3</td>
<td>6.67%</td>
<td>38</td>
<td>274</td>
<td>9.86%</td>
</tr>
<tr>
<td>$5,000,000 to $9,999,999</td>
<td>1</td>
<td>2.22%</td>
<td>39</td>
<td>c</td>
<td></td>
</tr>
<tr>
<td>$10,000,000 to $24,999,999</td>
<td>0</td>
<td>0.00%</td>
<td>39</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>$25,000,000 to $49,999,999</td>
<td>3</td>
<td>6.67%</td>
<td>42</td>
<td>f</td>
<td></td>
</tr>
<tr>
<td>$50,000,000 to $99,999,999</td>
<td>3</td>
<td>6.67%</td>
<td>45</td>
<td>f</td>
<td></td>
</tr>
<tr>
<td>$100,000,000 or more</td>
<td>0</td>
<td>0.00%</td>
<td>45</td>
<td>0</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

1997 U.S. Census Establishment and Firm Size

a: 0-19 employees  
c: 100-249 employees  
f: 500-999 employees  

**Note:** Census data is incomplete for these tables. Missing data is footnoted as it appears in the Census publication.

The following table measures establishment size for NAIC 713110, according to the number of employees.

<table>
<thead>
<tr>
<th>Establishment Size</th>
<th>Number of Establishments</th>
<th>Percent of Estab. Total</th>
<th>Cumulative Total</th>
<th>Employment</th>
<th>Percent of Emp. Total</th>
<th>Cumulative Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2500 +</td>
<td>9</td>
<td>1.09%</td>
<td>9</td>
<td>67778</td>
<td>49.62%</td>
<td>67778</td>
</tr>
<tr>
<td>1000-2499</td>
<td>13</td>
<td>1.58%</td>
<td>22</td>
<td>19925</td>
<td>14.59%</td>
<td>87703</td>
</tr>
<tr>
<td>500-999</td>
<td>26</td>
<td>3.16%</td>
<td>48</td>
<td>19351</td>
<td>14.17%</td>
<td>107054</td>
</tr>
<tr>
<td>250-499</td>
<td>24</td>
<td>2.91%</td>
<td>72</td>
<td>8550</td>
<td>6.26%</td>
<td>115604</td>
</tr>
<tr>
<td>100-249</td>
<td>57</td>
<td>6.92%</td>
<td>129</td>
<td>8566</td>
<td>6.27%</td>
<td>124170</td>
</tr>
<tr>
<td>50-99</td>
<td>75</td>
<td>9.10%</td>
<td>204</td>
<td>5311</td>
<td>3.89%</td>
<td>129481</td>
</tr>
<tr>
<td>20-49</td>
<td>129</td>
<td>15.66%</td>
<td>333</td>
<td>4215</td>
<td>3.09%</td>
<td>133696</td>
</tr>
<tr>
<td>10-19</td>
<td>126</td>
<td>15.29%</td>
<td>459</td>
<td>1712</td>
<td>1.25%</td>
<td>135408</td>
</tr>
<tr>
<td>5-9</td>
<td>114</td>
<td>13.83%</td>
<td>573</td>
<td>782</td>
<td>0.57%</td>
<td>136190</td>
</tr>
<tr>
<td>1-4</td>
<td>187</td>
<td>22.69%</td>
<td>760</td>
<td>405</td>
<td>0.30%</td>
<td>136595</td>
</tr>
<tr>
<td>0</td>
<td>64</td>
<td>7.77%</td>
<td>824</td>
<td>0</td>
<td>0.00%</td>
<td>136595</td>
</tr>
</tbody>
</table>

1997 U.S. Census

C. **INDUSTRY STABILITY**

The stability of the amusement park industry is a function of many different factors that affect attendance rates and admission prices. Amusement park admission prices are influenced primarily by attendance rates, which vary according to the quality and amount of marketing, product and software additions, competitors’ actions, weather, economic conditions, gasoline prices, and government regulations, among other factors. Amusement park executives predict
that admission rates will increase in 2004, as the economy continues to recover. They also hope for improved weather, since the East Coast experienced “rampant bad weather” during the 2003 season.

The amusement park industry involves much risk, because many factors affecting the industry are unpredictable from year to year. People are more likely to attend parks when the weather is good and traveling conditions are favorable. Terrorism and war have prevented people from traveling over the past several years. Local parks have done well in the past couple of years, and industry executives predict that attendance for destination parks, which require travel, will rebound in 2004.

D. GEOGRAPHIC DISPERSION

Amusement parks are located throughout the United States. However, parks that remain open during the entire year are concentrated in Florida, California, and other areas that attract tourists during the winter and when children are in school.

III. SERVICE INFORMATION

A. SERVICE DELIVERY PROCESS

The price of admission to amusement parks generally includes access to rides and attractions, as well as live entertainment. Customers pay extra money for services such as concessions, arcades, specialty rides/attractions (e.g., bungee jump), and merchandise, including t-shirts and toys.

Theme parks that include full-service waterparks have the marketing advantage of promoting two parks for the price of one. It is possible to add an entire waterpark to your establishment for the same price as a rollercoaster. Furthermore, operating the waterpark is very efficient, especially if it is within the gates of the theme park. “[Waterparks provide] the opportunity to have cross utilization of staff and use the efficiencies in marketing, advertising, utilities, maintenance, buying and other things that standalone parks don’t have” (Amusement Business, June 16, 2003).

B. TYPES OF SERVICE

Listed below are the services provided by amusement parks/centers.

- Admissions
- Food and Beverage Sales
- Merchandise Sales
- Other services

Other services include concessions and amusement machines not operated by the establishment and amusement machines operated by the establishment.
C. CUSTOM SERVICES

The services within NAIC 713110 are standard. One exception to the standard admission pass is a customized package plan for a group. However, this form of customization is simply a discount to accommodate a large group.

D. SEASONALITY

Most amusement parks are open from May to October, when the weather is good. In addition, attendance rates are high from June to August, when children are not in school. A park is not likely to be open from November to April, unless it is located in an area, such as Florida or California, with good weather and additional tourist attractions that draw visitors throughout the year.

E. SERVICE SUBSTITUTION (QUALITY ADJUSTMENT METHODOLOGY)

Substitutions will be necessary when selected items such as merchandise or food items are no longer available for sale. Explicit quality adjustment will be attempted if the park adds or loses a ride or attraction.

IV. MARKET & TRANSACTION INFORMATION

A. INTERPLANT AND INTRAINDUSTRY SHIPMENTS

Amusement parks sometimes transfer capital equipment from one park to another. However, the services that a customer receives during park visits are intangible and cannot be transferred via interplant and intraindustry shipments.

B. PRICE BEHAVIOR

There is currently no PPI or CPI data available for NAIC 713110. However, Amusement Business publishes annual attendance rates for amusement and theme parks. In 2003, attendance for North America’s 50 most visited amusement and theme parks declined 1.6% to 167,973,384. This was a drop of 2,787,802 visits compared with 2002, and the second consecutive year for a decline in attendance numbers. These numbers are important, because attendance rates directly affect amusement and theme park admission prices. Parks determine prices and discounts based on the level of demand for their services. Amusement Business also publishes an annual Amusement Business Family Price Index, as detailed under Currently Available Pricing Data.

C. TYPES OF PRICES

Average admission price. An admission rate is an all-inclusive price paid to gain access to all rides, attractions, and live entertainment offered by the sample unit. These rates are typically tiered for different types of buyers (e.g. child, adult, senior, family). Admission prices exclude food/beverage, merchandise, and games.
An average admission rate for a specific type of buyer is preferred. Prices for season passes should be excluded from the average. However, if the sample unit cannot provide average rates, an individual admission rate is an acceptable fallback.

**Single admission price.** This is the fallback if average prices are not available. This the price that should be collected for season passes.

**Actual transaction price.** For all other primary services, such as food/beverage, merchandise, games, and specialty rides/attractions (e.g. bungee jump), an actual transaction price will be collected.

D. **TYPES OF BUYERS**

Demand for amusement park admissions is youth-driven and family oriented. Most of the clientele at amusement parks are young people, ages 2 to 12. Children are usually accompanied by their families, who attend together as a family outing or vacation destination.

Group and company picnics also contribute significantly to amusement park attendance rates. For example, group picnics currently account for nearly 55 percent of the revenues for most of the traditional parks in Pennsylvania. In 2003, some companies cancelled company picnics due to the state of the economy. As a result, many parks lost an important source of revenue.

E. **ADJUSTMENTS TO PRICE**

Since an average price is preferred, any discounting will be reflected in the reported price.

F. **ADDITIONAL CHARGES**

Due to the nature of this industry there are no known additional charges.

G. **SIZE OF PURCHASE**

Access to parks can be purchased on a daily, weekly or seasonal basis.

H. **CONTRACTS**

Due to the nature of the industry, contracts will not factor in to the collection of prices for amusement park services.

I. **OTHER VARIABLES THAT AFFECT PRICE**

There are no other variables that affect prices within the amusement and theme park industry.
V. INDUSTRY INFORMATION

A. INDUSTRY RELATIONS

Economic Consulting Services
428 North Newport Boulevard
Newport Beach, CA 92663
Contact: Douglas Stewart
949-574-0800

Trade Association:
International Association of Amusement Parks and Attractions (IAAPA)
1448 Duke Street
Alexandria, VA 22314 USA
Telephone: (USA) 703/836-.4800
Fax on Demand: (USA) 703/836-9678
Website: www.iaapa.org

B. CURRENTLY AVAILABLE PRICING DATA

Amusement Business (AB), an international journal of out-of-home entertainment, publishes annual industry charts for attendance rates at amusement parks and water parks in the United States. The organization also publishes the annual AB Family Price Index, which reflects what a family of four might spend at an amusement park. It includes admission for two adults and two children (ages 3-8 and/or under 48 inches tall), parking for one car and purchase of two hot dogs, two hamburgers, four orders of fries, four small soft drinks and two children’s t-shirts. Admissions are posted, non-discounted prices. Food prices are for the least expensive items available and do not reflect special meals or children’s portions. T-shirt prices are for the least-expensive, regularly stocked, child’s souvenir shirt. Most prices include tax and all prices are rounded to the nearest 25 cents.

Economic Consulting Services (ECS) does feasibility testing for the amusement park industry. In order to provide its consulting services, ECS collects pricing data from amusement parks in the U.S. and around the world. ECS data includes annual attendance numbers, revenue, and the cost of parking, merchandise, food and beverages. ECS collects admission prices for adults, children, seniors and season passes. In addition, ECS data includes the length of the season, the total acreage, the initial investment, and the number of full-time and seasonal personnel at each park.

C. LITIGATION AND OTHER COOPERATION PROBLEMS

The primary litigation problem arises when customers are injured at amusement parks.
D. SERVICE IDENTIFICATION PROBLEMS

The main service identification problem involves concessions. Concessions owned by the park are part of the primary services offered by amusement parks. However, commercial space leased to another company for concessions is classified as other receipts.

E. CHECKLIST CLARIFICATIONS

INSTRUCTIONS FOR FILLING OUT CHECKLIST A713110A

Group 01, code 006. If park admission is something other than any of the choices listed, enter the type of admission. This also includes admissions that contain access to multiple parks at one price.

Group 04, Other Features - If admission includes access to multiple parks, list the different parks included in this section.

F. INDUSTRY SPECIFIC QUESTIONS AND PROCEDURES

There are no industry specific questions.

Collection Procedures

1. When collecting quotes for park admission (except season passes), every attempt should be made to collect an average price per visit. This average should be calculated for a specific type of admission selected (e.g. average adult, average child) and for a specific time frame (e.g. day, week). Lagged monthly averages are not acceptable. Season passes should be excluded from the average price.

   \[
   \text{Average admission price per visit} = \frac{\text{Total revenue for specified time period}}{\text{Number of visits for specified time period}}
   \]

   If this type of price cannot be obtained, due to the way a companies records are kept, the FE may then collect an individual admission fee.

   For season passes, simply collect the current price for an individual admission.

2. Food/beverage and merchandise sales should only be given a chance of selection if services are operated by the park. If a restaurant, snack bar or concession stand has merely leased property from a particular establishment, then the lease revenue should be classified in “other receipts” and collected accordingly. This also applies to any retail sales offered at the establishment location.
G. PUBLICATION GOALS

Producer Price Index Revision

Publication Title Listing (ordered by higher map code)

NAICS/Cycle/Version - 7113110A1

<table>
<thead>
<tr>
<th>PPIR Code</th>
<th>PPIR Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>713110</td>
<td>Amusement and theme parks</td>
</tr>
<tr>
<td>713110P</td>
<td>Primary services</td>
</tr>
<tr>
<td>7131101</td>
<td>Amusement and theme park admissions</td>
</tr>
<tr>
<td>7131102</td>
<td>Amusement and theme park food and beverage sales</td>
</tr>
<tr>
<td>7131103</td>
<td>Amusement and theme park merchandise sales, games, and other services</td>
</tr>
<tr>
<td>713110SM</td>
<td>Other receipts</td>
</tr>
<tr>
<td>713110M</td>
<td>Miscellaneous receipts</td>
</tr>
<tr>
<td>713110MM</td>
<td>Miscellaneous receipts</td>
</tr>
<tr>
<td>713110S</td>
<td>Secondary services</td>
</tr>
<tr>
<td>713110SS</td>
<td>Secondary services</td>
</tr>
</tbody>
</table>