

Situation and macro environment: the efteling



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The Efteling stands for 'a world full of miracles': this is the service they are offering. The Efteling is well known as a theme park that knows how to fulfill its customers' needs. The Efteling emphasizes the experience that its customers obtain from a visit. In the previous years there were no new theme parks entering the market. This does not mean that the competition also stagnates. The main theme park competitors are Walibi World (in The Netherlands and Belgium), Warner Bros Movieworld, Bobbejaanland and Disneyland Resort Paris. With this marketing plan we focused on attracting students. As a consequence the perception of The Efteling will approach those of day trips like festivals – these are very popular with our main target group.

The Efteling has several target groups: summarized they are groups, families and companies. The Efteling has its own fairytale series, a radio station where kids can listen to interviews with The Efteling inhabitants, music and fairytales. These are examples of The Efteling's market communication.

The Efteling is also present in the business-to-business market: they offer businesses to organize an event at The Efteling.

The main strategy for targeting students is giving students a € 4. 00 discount on top of the Albert Heijn's discount of €8. 00. The advised ticket price will then be €17. 00. Consequently, students will go more often to The Efteling, will take other students with them, and experience The Efteling together. This will increase the customer base and potential customers.

Our goal is to increase offerings to students: achieve that 5% of all students visit The Efteling once a year on a non-weekend day. This has to be achieved before the academic year 2012-2013.

The applied strategy is based on the differentiation strategy. The sales promotion should increase with the emphasis on the fact that it is better to visit The Efteling on a non-weekend day. In this way the admissions are evenly spread throughout the week.

Situation Analysis: Macro Environment

Political/Legal

Marketing decisions are strongly affected by developments in the political/legal environment. Especially when customers demand faster and more thrilling attractions, the legal obligations for the park are rising. Security standards for rollercoaster and similar attractions are very strict and will be inspected by independent officers. If the park would be caught, not keeping the security standards on the mandatory level, it can have some major consequences including sanctions from the government. But not only the governmental restrictions, also environmentalists are making life harsh for The Efteling. They are afraid that The Efteling will affect the forest 'Entenwoud' and will refuse to accept this. Furthermore we have to add that our target group, students, is able to travel using public transport for free of with 40% discount throughout the academic year. This is favorable because students are able to come from a greater distance for less money.

Economical

Economical issues rise from the fact, that the daily routine in theme parks in general is very capital and labor intensive. This is an interesting fact, because in most industries, either the labor or the capital intensiveâ,,. On the one hand, investing in new attractions, setting up new shows and keeping the already existing carousels and coaster in good conditions, is really expensive, and especially the latter one is an ongoing expense. On the other hand, many people have to be employed, to keep the visitors pleased and deliver good experiences throughout the park.

As most of the labor intensive work is done behind the scenes, it may not seem to be obvious that a theme park is very labor intensive, but when you think of the security standards, which have to be met, the garbage of thousands of visitors, which have to be cleaned and so forth, it quickly becomes clear that many people have to work hard each day to ensure a smooth running of the park.

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Next to this, The Efteling had to face the recession. People saved on day-trips, which are very expensive compared to what you could have bought for

the same amount of money. We could say that students do not feel that much of the recession because they do not have a fulltime job, but they do not have the financial sources to go for an expensive day out.

Ecological

Opening a theme park brings along some big matters of dispute. A previously untouched landsite in the middle of a forest, as it was the case for Efteling, can be severely damaged if constructing of the park is done without any precautions. The soil is being compressed, many square meters or even kilometers are bituminized, and once the park is finished the daily visitors have to get there in the first place, which is unseperately combined with increasing noise and air pollution.

In addition to that, it has to be mentioned that the running of big attractions consume a lot of electricity on an ongoing basis.

Technological

Because of the increasing complexity of new and planned attractions in the park, building- and maintaining costs are raising proportionately.

Furthermore, sophisticated new computer-controlled fun rides call for better trained personal to take care of.

On the other side of the coin, in case of failure or breakdowns, the error can be detected more easily due to computer analysis of the construction. On top of that computer controlled maintenance schedules leave less rooms for unintentional human failures.

The Internet is the most important marketing tool, this because the fact that the possibilities for The Efteling are very high when you look at the area of the computers. Almost everyone has a pc at home. You can order your ticket online, and just scan it at the entrance. That's it, and you also get a discount of €1, 00. Another example: by e-mail or by the website, The Efteling alerts people when there are new attractions or when there are new shows. Also for kids the website is very attractiveâ,).

Socio-Cultural

Major cultural and social topics for The Efteling are the small, but nevertheless existing differences of its visitors from different countries. As the case of Disney-Land Paris taught us, ignoring cultural habitats and taken-for-granted attributes of a society can quickly lead to a financial disaster.

Secondly the theme park faces the challenge to be attractive to every single age segment. Concentrating on just children from age 6-10 for example may seem like a distinctive strategy for a theme park, but after all, around 80% of the rest of the population and therewith potential customers are left out the focus point. Thereby customers demand more quality from its money; more for less. Customers want to experience the feeling The Efteling givesâ, f.

Situation Analysis: Micro Environment

This section of the situation analysis will deal with different steps of discussing the market features in which The Efteling theme park is enacting, this means we will analyze the microenvironment.

Size of the market

The market in which The Efteling is positioned can be characterized as an international end-consumer market in the service category. Because of its close location to the borders of Germany and Belgium it gains the advantage of attracting visitors of these countries as well. However, there is also the risk of losing domestic customers to foreign theme parks which are at a reasonable travelling distance. Harsh competition is obvious in this triangle of countries.

The Efteling's competitors

Country

Park name

Germany

Movie Park Germany, Phantasialand, Legoland Discovery Center; Panorama Park and Fort Fun

Belgium

Bobbejaanland and Walibi Belgium

The Netherlands

Drievliet, Duinrell and Koningin Juliana Toren

* When researching for these competitors we took into account that our target group students are geographically seen relatively mobile. Because Dutch students have a special public transport card they can easily go to any theme park in The Netherlands.

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Efteling,)

Walibi World,,,

Bobbejaanland,...

Warner Bros Movieworld,†

Disneyland Resort Paris,‡

Strengths

(compared to The Efteling)

- Large park
- Own theatre
- Own hotel
- Part of int. 'Walibi' organization
- Close to The Netherlands
- Part of 'Walibi' organization
- Close to The Netherlands
- Strong brand image
- Entering new businesses easy

Weaknesses

- long queues
- Especially attractive for teenagers

- Small park
- Germany-oriented
- possibilities for miscommunication
- (too) High expectations

One-day Price (adult)

€29, 00

€28, 50

€ 31, 00

€32, 00

€52, 00

Opportunity to sleep

Yes, own hotel

Yes

No

Yes

Yes, own accommodations

When we speak of competitors, we use the following definition from our Marketing Management text book, '... competitors are the firms that satisfy the same customer need', (Kotler et al, 2009) â, ^

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Because of the large quantity of possible competitors, the market is extensive in size.

Of course there are also other competitors. For a day out, consumers can also go to a festival like Lowlands, or 'Breda Barst'. For students these festivals and days out are also very attractive. It is the task of The Efteling to keep this potential target group going to the park. This is possible by giving special discounts for students. Another possibility is that The Efteling creates its own festival with famous artists. We only focused on the main other parks because these are in the same market segment.

Marketing channels

The growth of the market for theme parks can be described as stagnating. In the last few years there were no new theme parks entering the market. This doesn't mean that competition also stagnated. On the contrary: Every park tries to extend their customer base by offering new attractions, more ways to reach the park and other methods to increase customer value. This is also an approach to overcome the exposure to market myopia. The Efteling has to configure its competitive market in terms of customer needs and not just competitors which deliver the same service.

One of the first advertisements of The Efteling (shortly after 1952) Efteling for example has launched its own radio station, it is broadcasting television series with characters that can be seen in the theme park and has recently opened its new overnight camp 'Bosrijk'. In this way, The Efteling tries to convince more people to visit the park, who have to travel longer distances but now have the possibility to stay for more than one day. So this is more

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convenient for these families and positively influences The Efteling park experience. On January 6th, Efteling announced to invest €40, 000, 000 for a new restaurant, a new conference centre and a new event/performance arena.

In general, the trend in the market for theme parks is moving away from just competing in the bare numbers of attractions. Customers demand to enter a world in which attractions and offerings are integrated with each other. The whole park should convey a holistic atmosphere rather than just different obstacles placed inside the boundaries of the parks.

Situation Analysis: SWOT analysis

In this section we will make an analysis on the strengths, weaknesses, opportunities and the threats concerning The Efteling. We have combined this analysis; it's the SWOT analysis on The Efteling in general and in addition the SWOT analysis focused on our innovation: students segment.

The strengths

-The Efteling has a strong brand name. It is to a great extent known, because of great advertising expenses and the attractiveness of the park. This creates a strong, magical vision/perception in the minds of people that (may) visit the park.

-The Efteling is associated with more than only being a park including creating musicals, games for on the computer, having its own radio station and television-programmes.

-An additional strength is the fact that The Efteling is attractive to every visitor. For the kids there is 'Het Sprookjesbos', the parents are entertained by memories from their own childhood when they visited The Efteling, many things have changed but the main concept and appearance remained the same. Also, for the grandparents there are tranquil attractions and enough entertainment when the small ones are in a more turbulent ride. For the adolescents there are the 'big, fiery attractions' like the Python, a rollercoaster with multiple looping and the Piraña.

-The Efteling has multiple relationships with differentiated companies, for example the Albert Heijn supermarket, sometimes they create a promotion; when you spend a certain amount of money at the Albert Heijn supermarket, you get a discount ticket for The Efteling, %.

-Except for going to the park for amusement, you can also arrange meetings, parties and events there.

-A lot of students are living in the neighbourhood of The Efteling, as you can see in the table below, €. So the demographic position of The Efteling is perfect for students, it's close to their home, the connections by train and bus are also well regulated and during the week, this public transport may be for free.

The weaknesses

-Compared to other amusement parks, there are only a few shops and stalls settled in The Efteling. Customers do not get tempted to buy merchandise from The Efteling because they just don't see it and don't get the

opportunity to buy it. There are not too many distribution points of these products. However, when customers do want to buy something in the few shops that are available, the shop is totally stuffed with other customers.

-The queue to get in the rides is relatively long. Visitors will have to wait a very long time before they can actually get in one. Because most people are visiting The Efteling for just one day, it is very infuriating because they cannot visit many rides in this way.

-When The Efteling builds new attractions, there is in almost every case a delay. Visitors will come especially for that new attraction, but it is not finished yet. And there are also a lot of attractions that break down more often than others do. When this is a popular ride, this is bad for the reputation of the park.

-There is more traffic than ever coming from and going to The Efteling. Although the parking area is very big, it is not working well enough to handle all the cars coming out of their places when the park closes down. Everyone wants to leave at the same time; the exits of the parking lot cannot handle this, which results in very long traffic jams.

-The Efteling gets more expensive every year. Of course it is reasonable that The Efteling has to maintain their earnings to finance new projects, but in these times when we are also dealing with the recession, it may be a weakness to use such a price strategy. Visitors, who have been there once, will come back probably because they know that it's worth it, but visitors who haven't been there will be shocked by the high entrance price.

-The prices are too high for students, for the same price; they can get a lot of beers in the city centre of Tilburg or another city in the neighbourhood or do something else, like shopping or spent that money on their room.

The opportunities

-Get flexible entrance prices; The Efteling has experienced with the amount of visitors so they can estimate this for future periods. When there is a quiet day, lower the prices of the tickets so that the park will be cosy but not packed, when it is usually quiet. When it is going to be a busy day, raise your entrance price so that people will get spread over the weekend and weekdays. This solves the problem of long queues and a bit of the large traffic jams. Also people who want to go to The Efteling for a lower price get that opportunity now.

-Get more attractive shops and stalls in the park, so that people will buy more during their stay. Although there is a recession, people always want to have a souvenir. These extra sales may be a stimulus, i. e. way of financing lower entrance prices.

-The disposable income of seniors has risen the past few years and the number of elderly people has risen too. An opportunity for The Efteling is to focus their attention on this group by for example organizing special days for them to 'fresh up their memory'.

-Students are also a very large group at this moment. But The Efteling focuses most of the attention to kids and grandparents because they want to attract whole families. But this does not include the students who maybe

want to go with a group of friends. It could be wise to get special student discounts because the average student doesn't have enough money to pay the entrance price. Also a lot of students don't have lectures during some weekdays. When you can attract them to come at these days, the park will be filled more and the cost of the discount will be incalculable. Also there are just a few attractive attractions for youngsters. They need to have some more rough roller coasters to remain positive. There are a lot of students in the neighbourhood of Tilburg, so The Efteling has a lot new potential visitors which it can attract by lowering the prices and build more new thrill rides.

The threats

-Most young kids prefer rough roller coasters to ' Dancing Shoes' in het Sprookjesbos. Only very young kids will be attracted to this kind of attractions.

-Besides, more and more people are getting older and there are not enough kids to fill this gap.

-The recession is a big threat because parents watch their money more carefully than they did before.

-Students also have other opportunities to go to, like other parks or for example a festival or museum. The Efteling really has to improve and change some attractions and its brand image for students, otherwise; students will prefer to go to something closer to their home village or students house. When students live in the north of the Netherlands, they will

rather go to (for example) Walibi World because it is closer and there are more thrill rides.

Strategic Options and Choices:

Mission

On the company's homepage the statement is put forward: ' The Efteling theme park is a custodian of the fairy tale' (www. efteling. com). This statement is crucial for every staff member of the amusement park, as it should be communicated to every single visitor of the park. It contains more than it seems like on the first sight. Against the modern process of making everything faster and less lasting, the Efteling is trying to do the opposite. Reminding itself of traditional values it invites the visitor to enter a complete distinct world which he will have never seen before.

Preserving cultural heritage could be the most important role for the theme park. Next to this, the protection of the environment is a second crucial mission of the Efteling. As an international leader in the tourism and recreation sector, the theme park acknowledged that following this statement provides the most secure formula for its success since it's founding in 1952. Building a widespread reputation of a highly-professional, creative and efficient organization, the Efteling continues to concentrate on being innovative and reacting as quickly as possible to customer needs. In this way the parks pursues its basic goal of entertainment on a very familiar and customer friendly level.

Goals and Strategy

Product strategy

The Efteling is clearly a product leader, there is no other theme park that can compete with the position of The Efteling. The Efteling is 'a world full of miracles', but it has to watch out that they have to continue to think of new attractions. Although The Efteling has a high position the amusement park has to be still innovative. In the minds of many customers the attraction Villa Volta and Droomvlucht are still the most exciting attractions, despite the fact these two attractions are running for a while now. The Efteling should innovate a lot more and should come up in a higher frequency with new attractions. These new attraction have to fit in the world of miracles that The Efteling represent. The new attractions have to challenge the customer. This will give the customer a higher incentive to visit The Efteling more frequent or to attract new customers.

In product strategy creativity and inventiveness is necessary, this are the two concepts where The Efteling stands for. Also to stay traditional is a core concept, but with the right strategy the three concepts are good to combine. Every attraction has a legendary and traditional meaning. It is like the attractions came from the test of time. That is the experience that The Efteling wants to give to its customers and that those experiences stress the differences between The Efteling and other amusement parks. The Efteling is not just a theme park, it's an experience.

Price strategy

The Efteling has different prices because Efteling has a different program in the evening than in daylight and The Efteling is also different in the summer than in the winter. The Efteling has this year the Summer Seven League from

19 July through 5 September when the park is open from 10. 00 hours until 21. 00 hours. On the Summer Evenings, every Saturday during the Seven League Summer, the park is open until midnight. This difference is shown by the price. The price of a normal ticket for an adult is € 29. 00 and during the Summer Seven League the price of the entree ticket is € 31. 00. For a senior citizen the price is € 27. 00 during a normal period. During the Seven League Summer the price is € 29. 00. On the other hand the two-day ticket has for both periods the same price namely € 49. 00.

The Efteling has also tickets with reduction. For Groups of 20 or more people the ticket price will be € 24. 00 for each person. There is one major exception and that is the price for schools. If schools book before 1 April the school will pay € 12. 00 per person. If schools book on or later than 1 April than they have to pay € 17. 00 for each person. The incentive to lower the prices for groups and schools is to give the pupils and the groups an experience and a service that they want to come back. Even, if they have to pay a higher price.

Efteling collaborates several times in a year with the supermarket chain Albert Heijn to give the customers of Albert Heijn a discount on tickets for The Efteling. The customer of Albert Heijn gets a savings card to collect points. The customer collects points through buying an X amount of product. If the card is full the customer gets € 8. 00 discount of an Efteling ticket. The Efteling should give a higher discount to students. For example: the current price of a Efteling ticket is €29. 00. With the discount of Albert Heijn it will be € 21. 00. The Efteling should give the students a € 4. 00 discount on top of the € 8. 00 Albert Heijn. You could ask the question ' Is Albert Heijn the

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supermarket where students go for their groceries'? Firstly, we acknowledge that Albert Heijn is not one of the cheapest supermarkets, but The Efteling has a high reputation that automatically will be linked to the supermarket. If The Efteling collaborates with a cheap supermarket the status of The Efteling could be damaged. The Albert Heijn has also a high status with respect to other supermarkets. So the combination of these two companies works perfectly. Secondly, it is proven through several questionnaires that a lot of students do their groceries at the Albert Heijn because it is the nearest one or because of the bonus-products that the Albert Heijn each week offers. Bonus-products are daily products that Albert Heijn offers with a discount.

Market communication

The Efteling has several target groups: Groups, families and companies. To communicate with these target groups The Efteling has to know their preferences to give them the service that they need. To communicate with families The Efteling has its own fairytale series. The Efteling has also a radio station where kids can listen to interviews with The Efteling inhabitants, music and fairytales.

Efteling also reaches out to other companies; it offers them the opportunity to organize a certain event at The Efteling. For example: a party for all employees of a company. Efteling has a large chamber where they can realize certain events for companies.

As mentioned we want to attract students as a new target group. There is a simple explanation for the reason why student do not go to The Efteling: the ticket price. If The Efteling will let the students know that they are getting a

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certain discount, a lot of students are then willing to go to The Efteling. The Efteling can make this possible through advertisement on universities or through cooperating with the students if the students, like our group, chose The Efteling as the company where they have to do an assignment about. If students go to The Efteling with other students and experience the event, the chance that they will go again with other students will then be higher. Then The Efteling gets a much better kind of advertisement and that is word to mouthâ,).

Segmentation

Market segments

‘Segmentation offers key benefits over mass marketing; it is useful to differentiate positively over our competition because it increases understanding of our customer groups’ (Kotler et al, 2009)â, ^.

In this and the next section we define the targets groups mainly by age.

The Efteling offers some more adventurous rides, which are aimed at a segment group of visitors aged between 12 and 25. For example the wild water rafting ‘Piraña’ the steel rollercoaster ‘Python’ and the high speed ‘Bobbaan’, the main focus of the theme park is actually concentrated on young children and people of age over 25. Thus the majority of the rides are designed for these two targets groups, so they satisfy the perceived needs of two age segments.

The whole park is built on the basic belief to construct a world, equal to a fairytale. And so are many of the rides of the park. To give some examples:

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The ' Fata Morgana' in a slow river boats ride through a city taken from the fairytale ' 1001 nights', there is ' Magic forest' , a haunted castle and a steam locomotive. They are all meant for one of the different age groups we defined.

Demographics and Needs of the customers

The Efteling is approaching to a wide base of customers. Mainly families of the middle and upper social class are targeted by the marketing efforts of the theme park. In the following, the different segments are mentioned and their needs are discussed.

Children of age between 6-12: The needs of this segment is rather simple, children are confronted with advertising, mostly on TV, in which the same characters as in the series of Efteling appear. By presenting the park as a fairy-tale wonderland, the children are urged to experience it themselves.

Teenagers, age between 13-19: Although not the main target group at the moment, still are important for the park, because this group represents a strong decision making unit inside the family, when it comes to vacation planning. Most of the members of this cohort are not yet able to effort to go on holidays without their parents. Their need is to have an adventurous stay at the park. They want to experience something extraordinary they can tell their friends about.

Young adults 20-25: This segment is not of big interest for the park because it does not represent any major point of attraction for this group.

Young parents 26-32: Couples, who have become parents not that long ago, are, in contrast to the preceding segment, of great importance for the park. This segment is typically looking for a good deal to book a short vacation or daytrip. With the relative low price for the park and its services, compared to a conventional holiday (special subscription offerings are provided), the family is buying a whole bunch of activities. In the park all needs, like entertainment for the kids, relaxation for the parents and eating out together, can be easily fulfilled, there are restaurants various attractions that are appropriate, even for small children.

Adults 33-40: also strongly affected by the pull factors of the theme park, with very similar attributes of the previous group. Even though they might have older children the offerings of the park still covers those needs.

Elderly 60+: In order to meet the needs of this segment, The Efteling park has thought of several convenience factors. The park is equipped with many toilets and resting areas, which allow the elderly to enjoy the park without being stressed. Many authentic, vintage rides appeal to this segment and constitute a nice contrast to faster rides. On top of that, restaurant, which offers high quality food and a relaxed atmosphere complete the offerings for this group. As The Efteling has special subscription discounts for people of age 60+ another pull factor is placed.

Targeting

‘An important aspect of targeting is trying to find what target can be reached a competitive manner’ (Kotler et al, 2009)â, ^ . We will focus on the target group students only. ANP (Algemeen Nederlands Persbureau) predicts

the number of University students and high school students in 2012-2013 on 242. 000 respectively 399. 000. Nowadays, students have a lot of leisure time and that is where the Efteling will respond to. This is to achieve a more equal distribution of visitors during a normal week. The weekends are very demanding in the Efteling and by offering discounts to students they can increase their turnover on the other days of the week.

Positioning

‘One of the crucial pillars of the marketing strategy is positioning, it means creating awareness in the target market so that the consumer recognizes the distinctive offering and image’ (Kotler et al, 2009).

The goal of positioning is to establish the brand in the minds of consumers in order to maximize the potential benefit to the firm.

The Efteling has a strong brand positioning, they try to achieve that consumers recognize the name ‘Efteling’ and make a link with a high quality park. To achieve these consumer experiences is very important because of word-of-mouth marketing as concluded in previous sections. When their response is positive, in this way The Efteling knows that they provide the right market offering at an acceptable price.

‘ Point-of-difference are attributes or benefits consumers strongly associate with a brand, positively evaluate, and believe t