

ADVENTURE PARK INSIDER

2022

STATE OF THE
INDUSTRY REPORT

PROFITS UP

Per-Visit Revenues Rise

VISITATION

Participation Levels Return
to Pre-Pandemic Normals

CHANGING DEMOGRAPHICS

Changing Participation
Demographics Require
New Thinking

ABOUT THE SURVEY

Methodology. The 7th annual *Adventure Park Insider* State of the Industry Survey collected data from 53 respondents, fewer than in previous seasons. The survey responses provide comprehensive business and operations data. The data was collected during the months of October and November 2022. Operators were contacted via email, print, and social media channels by *Adventure Park Insider*, the Association for Challenge Course Technology (ACCT), and several supplier partners, and drawn from the respective databases of those parties. We extend a special thank you to ACCT and our partners for their promotional support of the survey.

We would also like to thank RRC Associates, who assisted in the data analysis. Any ambiguity or errors are our own.

Sample composition. Despite the decrease in year-over-year participation, the data still reveal some important trends, which largely reflect what is happening in the broader outdoor recreation industry.

As in previous years, we have segmented the data into two primary categories—recreational and traditional—based on their primary type of business. We have also segmented by size of business—small, less than 5,000 visits; midsize, 5,000-15,000 visits; and large, more than 15,000 visits—to explore the unique characteristics of each size of operation more deeply, where appropriate.

Recreational operations have activities primarily designed to thrill, excite, and

challenge participants on an individual level. They are designed to be a recreational adventure.

Traditional operations focus primarily on developmental, therapeutic, or educationally focused activities, with an emphasis on facilitation, as well as individual and group dynamics.

Limitations. The data and analysis here are representative of the respondents to the State of the Industry Survey and do not necessarily represent the entire industry.

Year-over-year comparisons. Where comparisons can be made to the industry as a whole, they are noted as such. Outside of those instances, the data and analysis in this report reflect only the

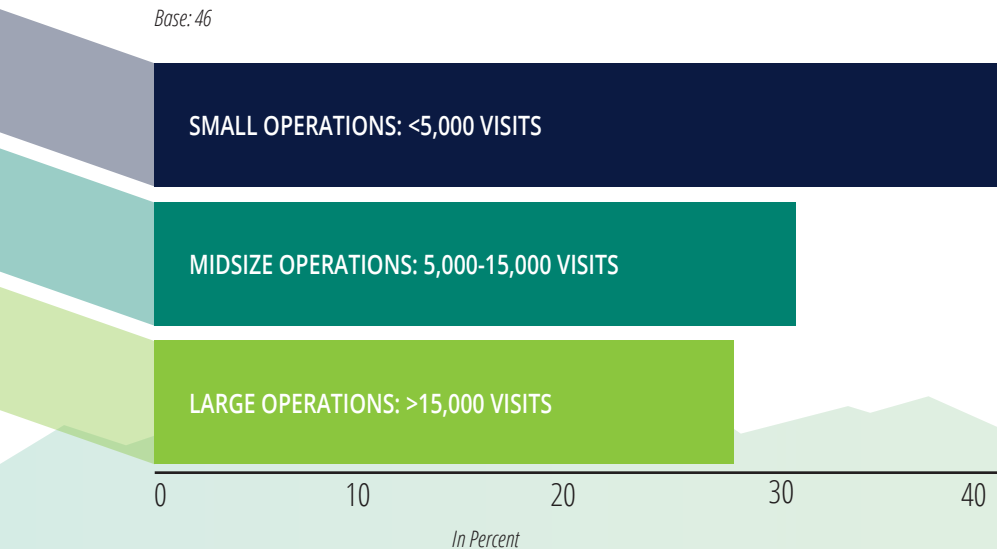
experience of the respondents.

We endeavored to collect data from the 2018, 2019, 2020, 2021, and 2022 operating years from the current year’s respondents to allow for “same-store” comparisons. The composition of the sample has varied greatly year to year, and direct comparisons between this year’s respondents and those from previous years must be made with caution.

Survey participants. Of the 53 participants, 66% were recreational respondents and 21% were traditional respondents. The remaining 13% of the sample was comprised of suppliers who were segmented into a separate data set and not reflected within the data in this report.

RESPONDENTS BY VISITATION SIZE

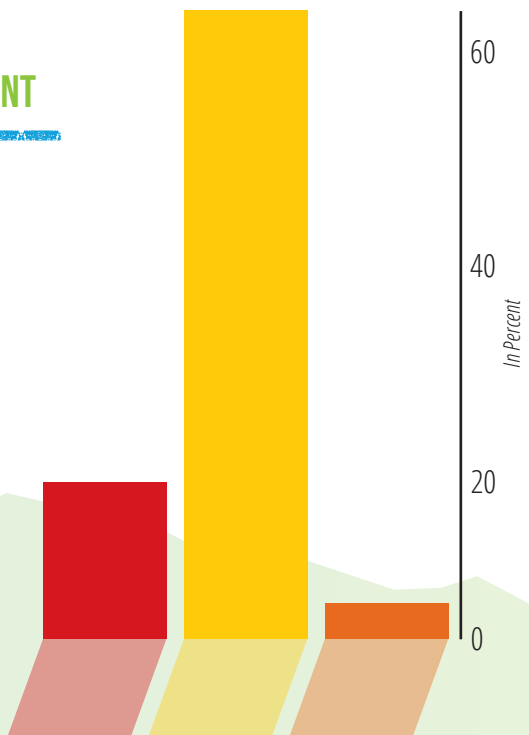
Base: 46



RESPONDENTS BY SEGMENT

- Recreational
- Traditional
- Supplier

Base: 53



INTRODUCTION

The 7th annual *Adventure Park Insider* State of the Industry Survey revealed both good and bad news for adventure operators. First, the bad: Respondents saw a decrease in annual visitation compared to 2021, as visit numbers in general returned to pre-pandemic levels, closer to those reported in 2018 and 2019.

In good news, the total number of operating days, and the number of days with unscheduled closures, also returned to pre-pandemic levels. Even better, operators reported that revenues remained high, despite the drop in visitation, as revenue per visitor increased.

For this report, we have segmented the respondents by type of operation—recreational or traditional—and by size to help operators benchmark their own performance against the broader industry.

Visitation decreased. On average, visitation dropped compared to the previous year, returning closer to the pre-pandemic levels of 2018 and 2019. However, while recreational respondents reported a decrease in visitation, traditional respondents reported an increase year-over-year.

Those trends largely reflect societal changes wrought by the pandemic, which initially spurred a turn to outdoor activities and away from group activities. As pandemic restrictions eased, visitation trends largely returned to pre-pandemic norms. That is, groups returned to experiential programs, boosting traditional operations, and individuals returned to many activities, especially indoors, that they shied from during the pandemic. That “return to almost normal” drained visits from outdoor activities, like recreational aerial adventure, that saw spikes during the shutdown.

Demographics shift. The demographic of the average outdoor participant is shifting rapidly, as is the frequency with which they participate in outdoor activities. Not only does this create a challenge for operators as they look forward to 2023 and beyond, but represents a significant opportunity to reach new participants and new markets who are not necessarily as familiar with the outdoors and adventure activities.

Revenues per guest increased. Despite the average decrease in visitation for recreational operators, revenues per guest increased year-over-year. On average, operators increased their per-guest revenue by 33% year-over-year.

Concerns and opportunities for the future. The primary concern for operators going into 2023 is staffing. This has remained unchanged as a top priority of the past

several years. However, other concerns have shifted as operators brace for a looming recession and anticipate decreased leisure spending budgets.

However, a tightening of consumers’ budgets poses an opportunity for operators as demographics and habits shift. The number of outdoor participants in the marketplace is increasing, while the frequency of their outdoor activities is decreasing. This gives adventure operators an opportunity over other outdoor activities that have high initial costs like cycling or snow sports.

Overall, operators are looking at the upcoming season with confidence, predicting 23% growth. While optimistic, such a figure could be reached—provided that operators target their marketing and communications effectively at new markets.

OPERATIONS & VISITATION

OPERATING DAYS & CAPACITY

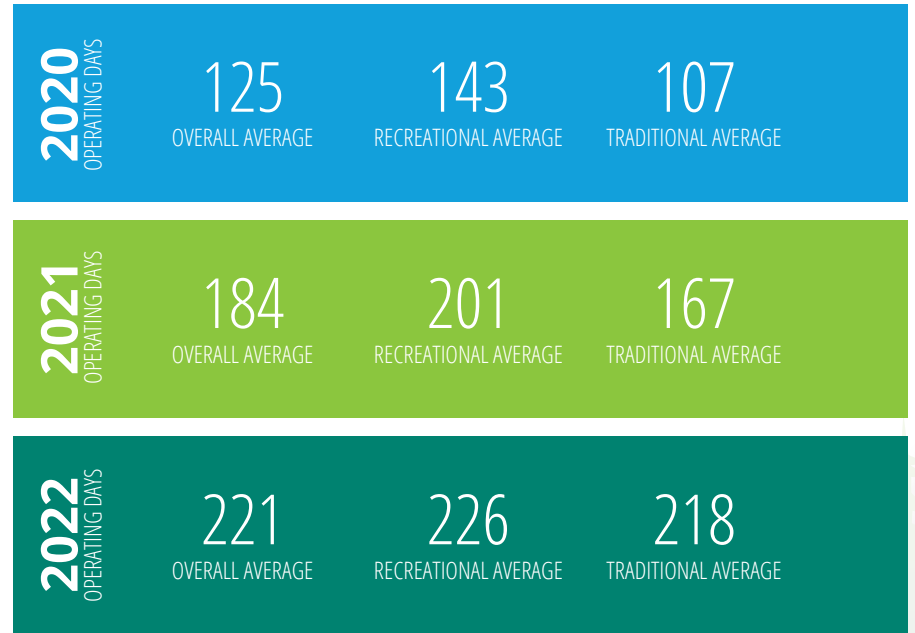
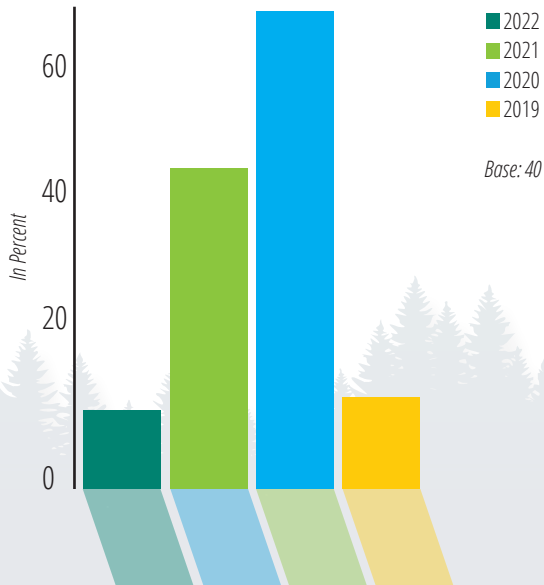
The good news: responding operators were able to increase total operating days back to pre-pandemic levels. Respondents to the survey reported averaging 221 open days compared to 184 for the same group of respondents in 2021, a 20% increase. Unscheduled closures fell to an average of just 12 days, which is comparable to numbers reported in 2019.

That said, 63% of respondents reported operating in jurisdictions that required shutting down or altering operations as a result of Covid during 2022. This is a decrease of more than 10 percentage points compared to responses gathered in the previous year. While still

widespread, the restrictions loosened dramatically, and their impact on operations was much reduced—from closure and capacity restrictions to operational modifications, such as requiring specific sanitizing practices.

In fact, while capacities were reduced by 45% in 2020 and 27% in 2021, those reductions dropped to an average of just 7% in 2022. Midsize operations had the largest restrictions, averaging 13%, but those were reduced from 24% in 2021. Small and large operations averaged just 4% in terms of capacity restrictions in 2022. That was a significant change for small operations, which reported capacity reductions of 28% in 2021.

AVERAGE UNSCHEDULED CLOSURES



OPERATIONS & VISITATION

VISITATION

Despite the loosening and lifting of many capacity restrictions, average visitation dropped compared to the previous year, returning closer to the pre-pandemic levels of 2018 and 2019. However, the visitation trends for recreational and traditional respondents were markedly different. Recreational respondents reported a 19% decrease on average year-over-year in visitation while traditional respondents reported an average increase of 36%.

Those trends largely reflect societal changes wrought by the pandem-

ic and its aftermath. Visits grew for recreational operators in 2021, when indoor restrictions forced many people into outdoor activities and away from groups. The changes in visitation for 2022 are indicative to a return of “business as usual.”

Traditional respondents, especially those focused exclusively on team-building programming, saw the greatest declines in visitation during the pandemic. Many chose to temporarily close for a year or two, while others severely limited operations. In 2022, group activities and team building bounced back.

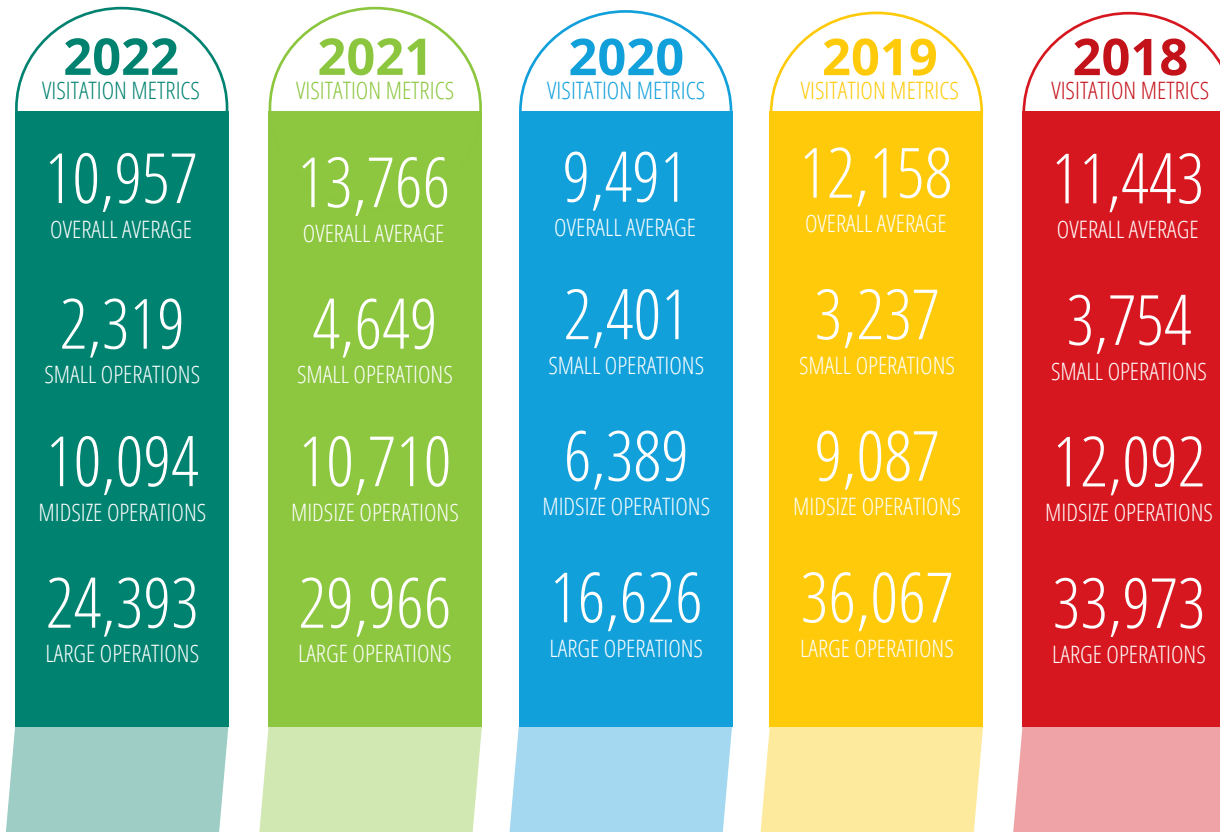
Recreational respondents, in contrast, saw visit declines in 2022 as many people returned to indoor activities and travel options that had been put on hold by Covid-era restrictions. This was the case for many outdoor activities that saw a surge in participants during the pandemic, but it also highlights the need for more aggressive marketing.

Shifts in visitors per day. With the increase in operating days and decrease in overall visitation, recreational visitation per operating day dropped significantly. Recreational respondents reported a decrease of 25% in visitors per operating day. Large operations saw

the biggest decrease year-over-year, as they were able to increase operating days by 10%, but visitation per day shrunk by more than 40%.

In contrast, traditional respondents reported an increase of 1.5% in visits per operating day.

CHANGE IN VISITATION PER OPERATING DAY



OPERATIONS & VISITATION

Repeat visitation. A factor in the reduction in overall visits is certainly a drop in repeat visitation, particularly at recreational operations. For those respondents that track this metric, the average repeat visitation for all types of operations decreased from 42% in 2021 to 35% in 2022.

While seven percentage points may seem like a minor shift, the difference between recreational and traditional operations was stark. Recreational respondents reported a decrease of 10 percentage points in repeat visitation year-over-year, to 27% of visits. Traditional respondents, on the other hand, reported a 19-percentage-point increase over the previous year, to 74% of visits. This is one more indication that groups, which took a multi-year hiatus due to

Covid, returned to more typical levels of group and experiential activities.

Local visitation. Average local visitation—classified as visits from people living within one hour of a location—shifted dramatically over what was reported in 2021. Overall, local visitation showed a modest increase. However, the most indicative shifts were in the increase for traditional and small operations, and the decrease for large operations.

In 2021, large-size respondents to that year’s survey reported that 62% of visitation was local. In 2022, respondents reported that number decreased to 37%. Small operations, on the other hand, reported an increase in local visitation from about 40% in 2021 to 60% of visits in 2022.

As travel has returned to near normal, these numbers are much more in line with pre-pandemic 2019. Large operations—often located in destination markets—were once again able to draw on fly-to markets, while smaller operations, many of whom are traditional operations, saw the return of local and repeat guests.

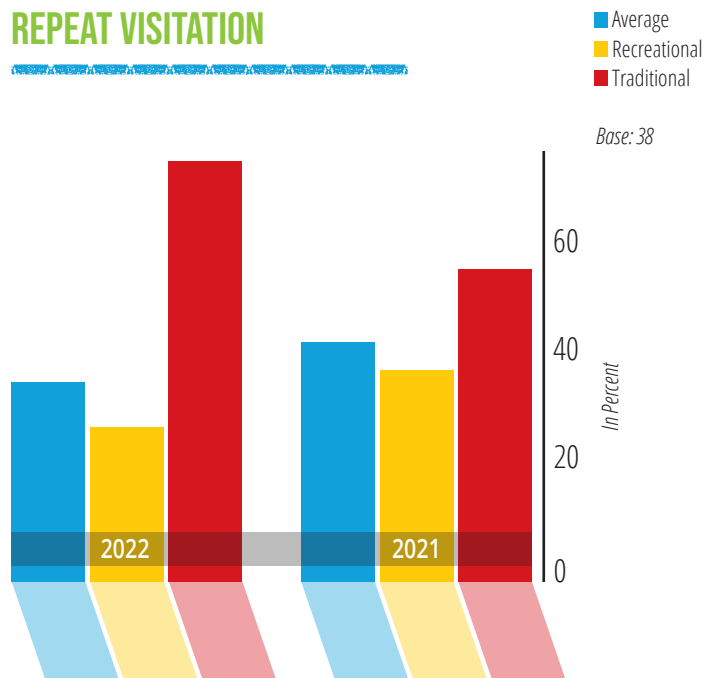
The larger outdoor marketplace. How does the aerial adventure world fit within the larger picture of outdoor participation? The Outdoor Industry Association (OIA) reported in its *Outdoor Participation Trends Report* that in 2021, more than half (54%) of Americans over age 6 participated in at least one outdoor activity, and that, since the onset of the pandemic, new and returning outdoor participation increased by 26%.

This is mirrored in the State of the Industry data. Respondents to the 2022 survey provided visitation data going back to 2018, which showed that the growth reported by OIA was reflected in the aerial adventure industry in 2021, when respondents reported a 13 percent increase in visitation over pre-pandemic levels.

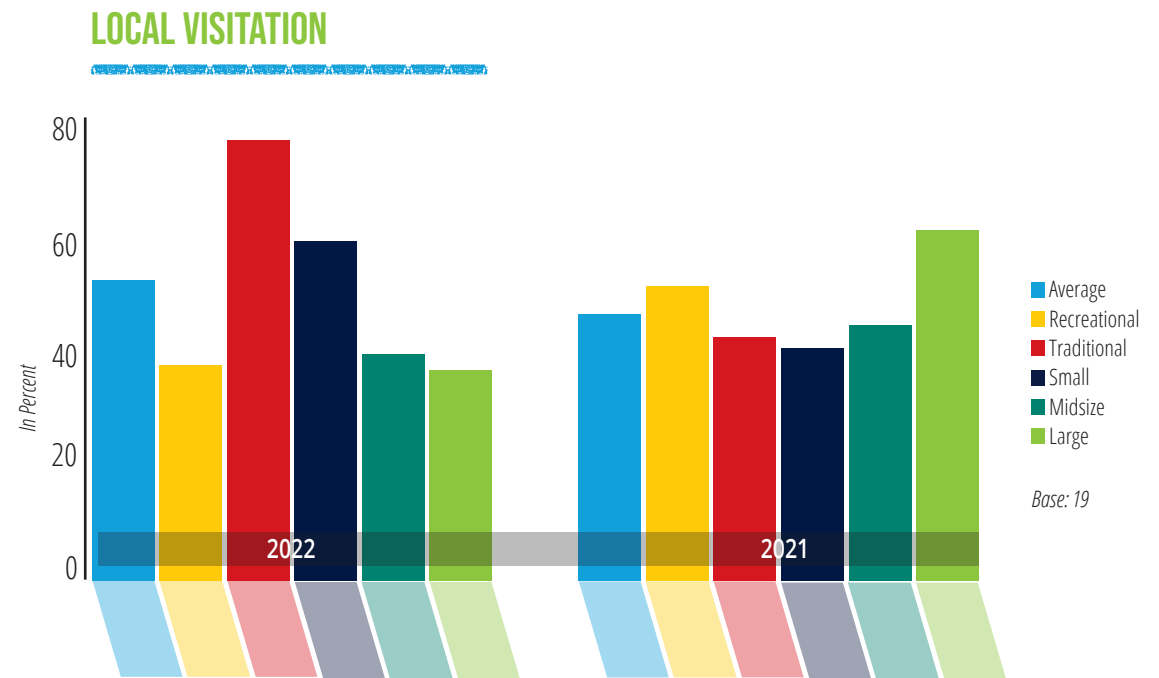
What about 2022? Despite the strong growth in outdoor participation since 2019, there is a key difference in the outdoors folk of 2022: They are going outside, just less frequently.

In short: There are fewer “core” outdoor enthusiasts who are active outdoors 50 or more days a year, while the “casual” demographic who participate 1-3 times is growing. Gaining a share of these occasional outdoor participants will require aggressive marketing.

REPEAT VISITATION



LOCAL VISITATION



OPERATIONS & VISITATION

Roll call. As a percentage of total visitation, adult visitation held relatively steady year-over-year. The biggest age demographic shift occurred in youth participation. Recreational respondents reported growth in the percentage of both the 6-12- and 13-17-year-old demographic categories. Traditional respondents reported a four percentage point decrease for the 6-12 age group and seven percentage point increase for those ages 13-17.

This tracks across OIA's findings as well, which showed increases in participation across the same demographic groups. The past decade has shown steady growth in the number of youths participating in the outdoors—though youth, like their parents, spend fewer days outdoors overall.

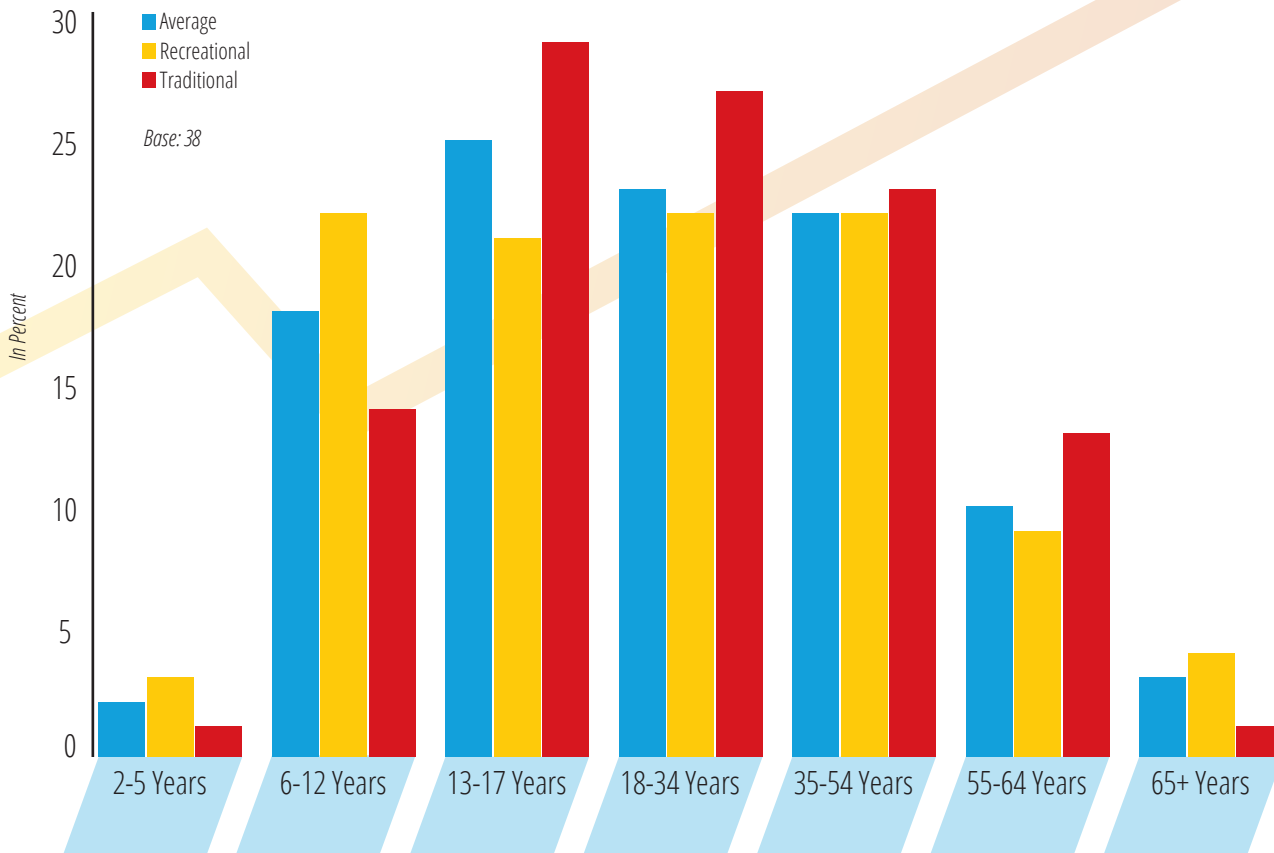
Decline in diversity. In 2021, respondents reported that they saw an increase in the diversity of their participants throughout the year. This was not

reflected in 2022, where only 10% of respondents reported an increase in diversity, and 40% said there was no change or a decrease.

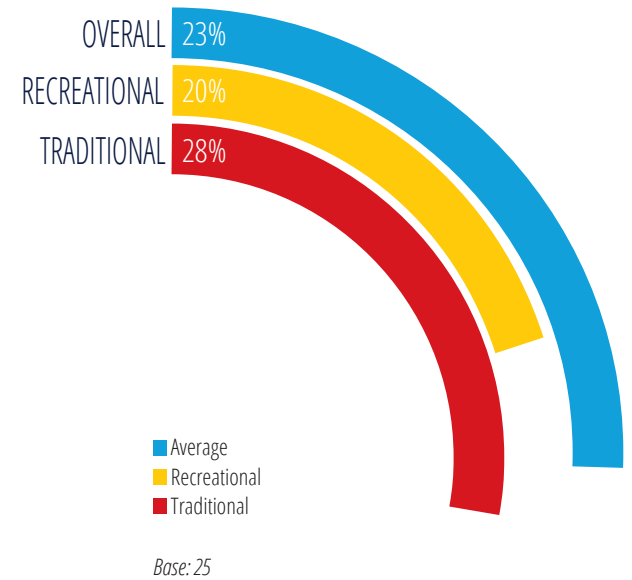
According to OIA, the outdoor industry has been slowly gaining more ethnic diversity, though the majority of participants are white. As core participation declines, attracting a more diverse outdoor participant is going to be paramount to the continued success of the outdoor industry.

The opportunity for aerial adventure parks—along with other outdoor attractions—lies in targeting participants who are new to the outdoors and may only plan a few outdoor activities per year. This implies that a change in marketing may be necessary. If the average outdoor consumer profile is changing, how they learn about outdoor activities will likely be different than the “core” groups that operators typically focus on. This will be key if operators are to meet their target visitation goals in 2023.

VISITATION BY AGE DEMOGRAPHIC

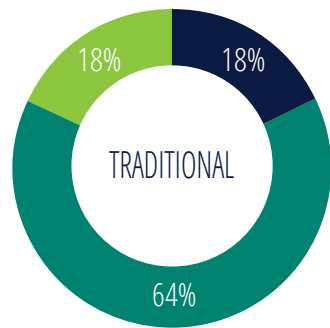
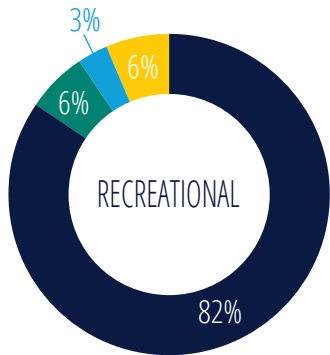


VISITATION GROWTH GOALS FOR 2023



FINANCIAL PERFORMANCE

BUSINESS STRUCTURE



- For Profit
- Nonprofit
- Government/Municipal
- School/University
- Public/Private Partnership

Base: 52

Despite reduced visitation numbers, financially speaking, operators reported a generally excellent year. In 2021, respondents reported an exceptionally good year as they followed the outlines of 2020 and streamlined operations while scaling up offerings. In 2022, the combination of inflation and the continued scaling up has resulted in increased expenses as well.

Profits. Operators overall achieved a healthy 20% profit margin. However, this was a significant 11 percentage point decrease for this sample year-over-year.

Increasing revenues. Total revenue in 2022 for this year's respondents increased from an average of \$839,355 to

\$890,854. This trend is reflected across all respondent categories except midsize respondents, which reported an average drop in revenue of 9%.

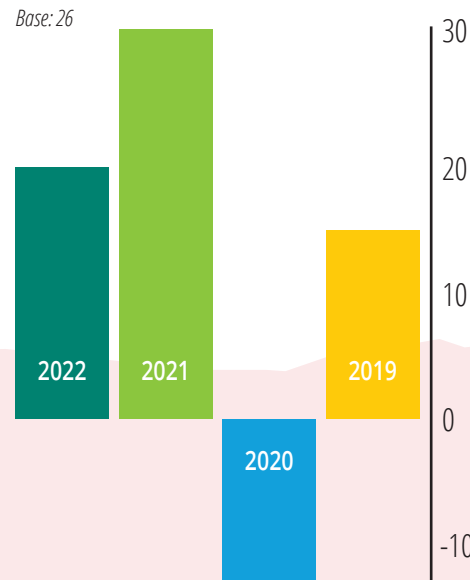
A better picture is painted when compared with revenue numbers provided by respondents from the 2019 season. On average, the 2022 respondents reported a 16% increase in revenue over 2019, from \$768,734 to \$890,854. This revenue jump shows the gains operators have made in creating attractive offerings for new participants in the outdoors.

Traditional respondents fared particularly well, and reported a strong bounce back from the challenges of the past few

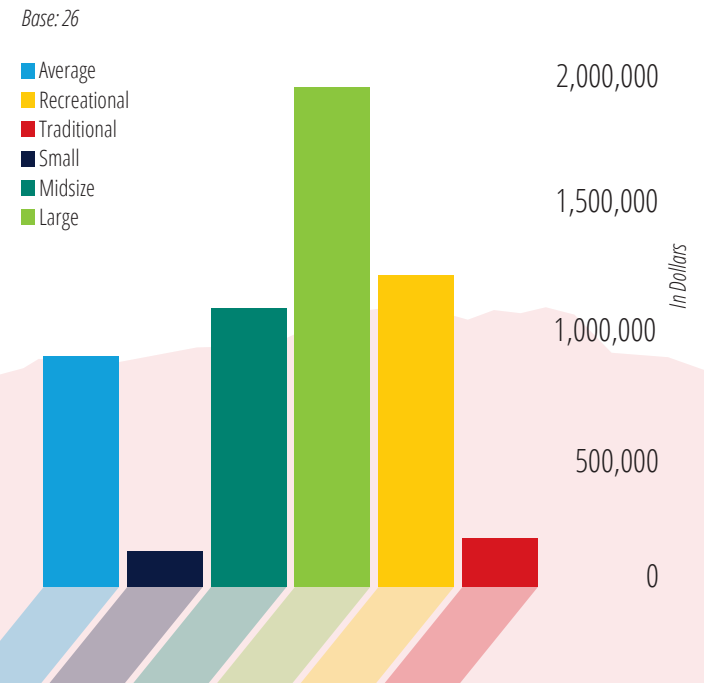
years. Traditional respondents not only reported a 56% increase in revenue over the previous year, they also reported growth over pre-pandemic years.

Midsize and large operations both reported small revenue decreases compared to 2019, which may suggest that while consumers are returning to "normal" activities, many may still not be ready for the high-throughput activities that make large and midsize operations most profitable.

PROFIT MARGINS



AVERAGE REVENUE



FINANCIAL PERFORMANCE

Revenue per visitor. Operators were able to report dramatic increases to revenues per visitor. On average, operators increased their per guest revenue by 33%, an average increase of \$20 over 2021.

This may be due, in part, to increased activity prices that were put in place during the pandemic. Additionally, single-ticket sales increased as a percentage of all revenues vs. ancillary sales, such as retail or food and beverage—another sign of increased activity prices. Single-ticket sales (as opposed to season passes or group-sales tickets) are typically the activity products with the highest margins, which may have also factored into this per-visitor increase.

Revenue sources. Ticket sales remain the primary source of revenue, and single-activity tickets, which had dropped to 46% of revenue in 2021, rebounded to an average of 60% of revenue in 2022. Multi-activity ticket package purchases also increased year-over-year, though at a slower rate than single-activity products. This shift may also be the result of newer participants to the outdoors, who may not be confident enough to purchase a package that requires a bigger monetary and time commitment.

Season passes saw a drop in overall percentage of revenue. Again, this could be related to the new outdoor consumer who is not participating as frequently as previous consumer groups. There may be

less of a desire to make a commitment to one single activity or one location throughout a season. This has broad implications for operators, including marketing, product mix, and more. How will operators attract and meet or exceed the expectations of single-visit or lower-frequency-return guests?

Retail holds steady. Retail spending held relatively steady year-over-year, with an average yield of \$4.83 per person, 6% of gross revenue. Operators saw a jump in retail revenue in 2021, which they anecdotally attributed to more streamlined choices and less crowding with indoor capacity limits. It appears that trend continued in 2022. Operators can continue to ramp up retail sales by offering customers valuable souvenirs of their outdoor experiences.

AVERAGE REVENUE PER GUEST

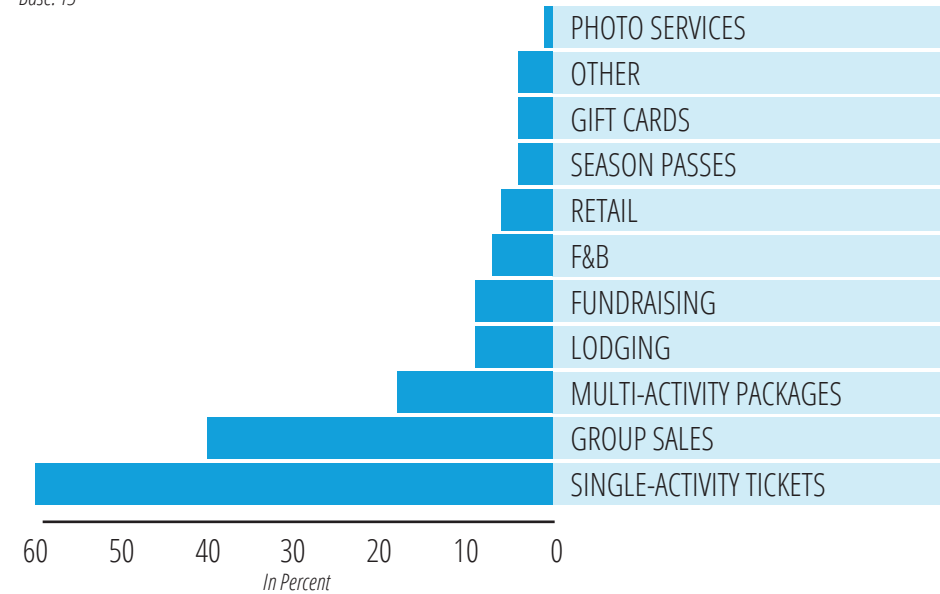


Base: 26

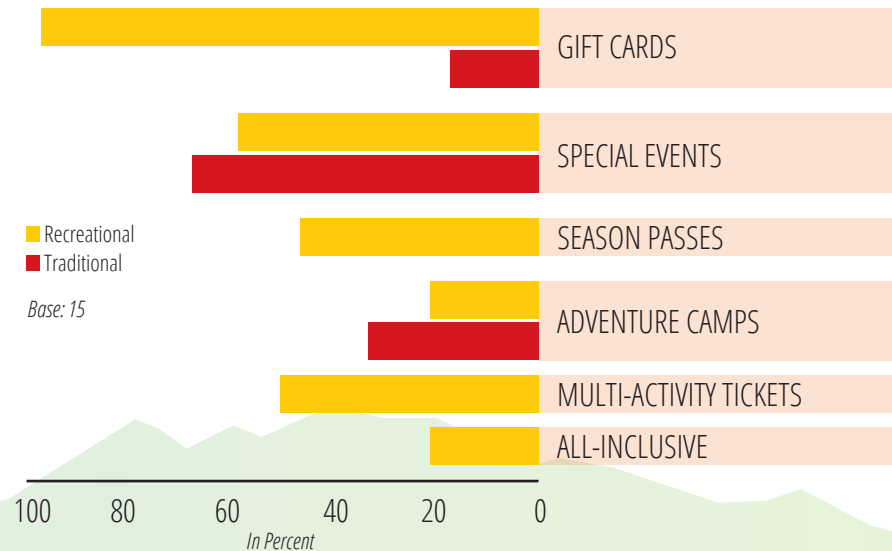
REVENUE SOURCES

Percentage of overall revenue for those that offer the selected option

Base: 15



PRODUCTS OFFERED



Base: 15

FINANCIAL PERFORMANCE

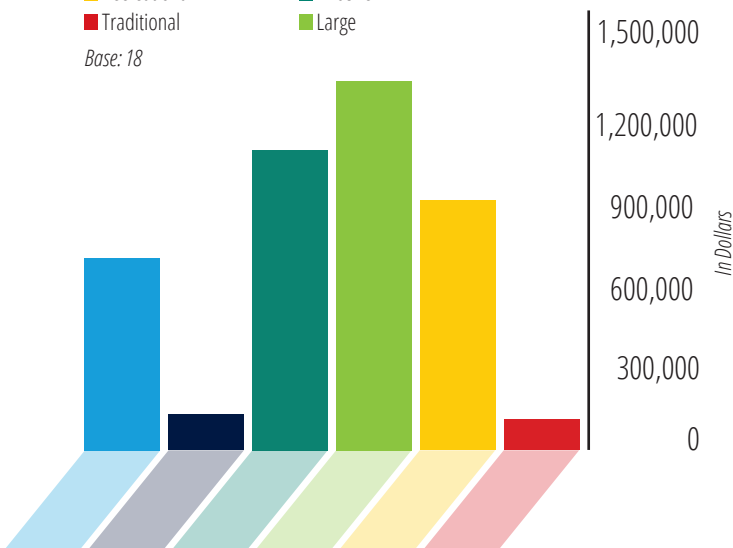
Photo service revenue takes a dive. The average percentage of revenue from photo services decreased to just 1% of revenue for those that offer it as a paid service. It appears that many operators who offer photo services provide photos for free, or include photos in attractive activity packages, rather than as an add-on item. Making photos widely available is a proven way to maximize their promotional and marketing value. Operators can increase that value with specific branding placement, such as logos on helmets or curating specific photo locations. Does your operation have a great view? Add signage that would be included in the image when guests share their experiences online.

Increased expenses. Inflation was the buzzword of 2022, and operators certainly saw increased costs across all line

AVERAGE EXPENSE

■ Average
■ Recreational
■ Traditional
■ Small
■ Midsize
■ Large

Base: 18



items. Average expenses were up from \$575,572 in 2021 to \$714,646 in 2022, an increase of nearly 24% year-over-year. The increase stemmed in part from more operating days as well as from inflation.

On average, cost per guest increased 55% over 2021 and was up 21% over 2019. The largest factor in this was payroll, which increased four percentage points year-over-year, to 41% of total expenses. It's important to note that this was still a lower percentage than in 2019, when payroll expenses accounted for an average of 45% of overall expenses. Even with increased staffing levels and higher wages, the increased payroll expense was in line with numbers reported pre-pandemic.

Insurance costs increase. Insurance costs increased by three percentage points over what was reported in 2021. Both insurance agents and operators reported large increases in insurance rates in

2022, and those reports were apparently accurate. The cost of insurance, along with the broader interest in providing a safe experience for guests, makes risk management a high priority for the entire industry.

Marketing budgets hold. Marketing budgets held steady at 9% of total revenue. Marketing budgets have been growing over the past several years, and may reflect the need to communicate differently to new consumers as opposed to core participants, as well as the need to adapt marketing strategies and tactics during the pandemic.

Considerations for 2023. While revenues remained high in 2022, the increased cost of operating should have operators deep diving P&L statements to identify opportunities to make operations more cost efficient. This may mean pulling out the playbook from 2020 to identify where streamlining had the most impact on the bottom line, without negatively impacting the guest or staff experience. This is especially true as the cost of conversion for new participants gets higher and repeat visitation declines.

AVERAGE COST PER GUEST

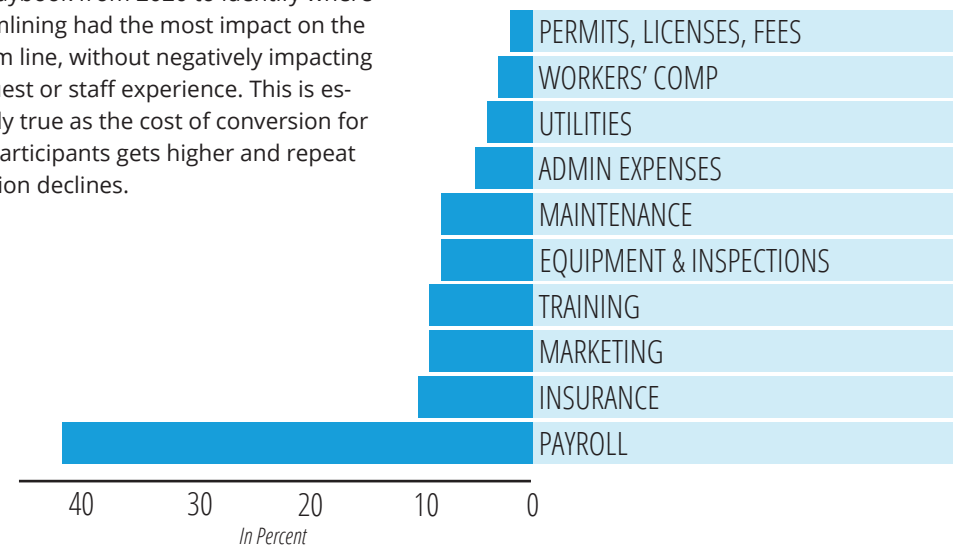
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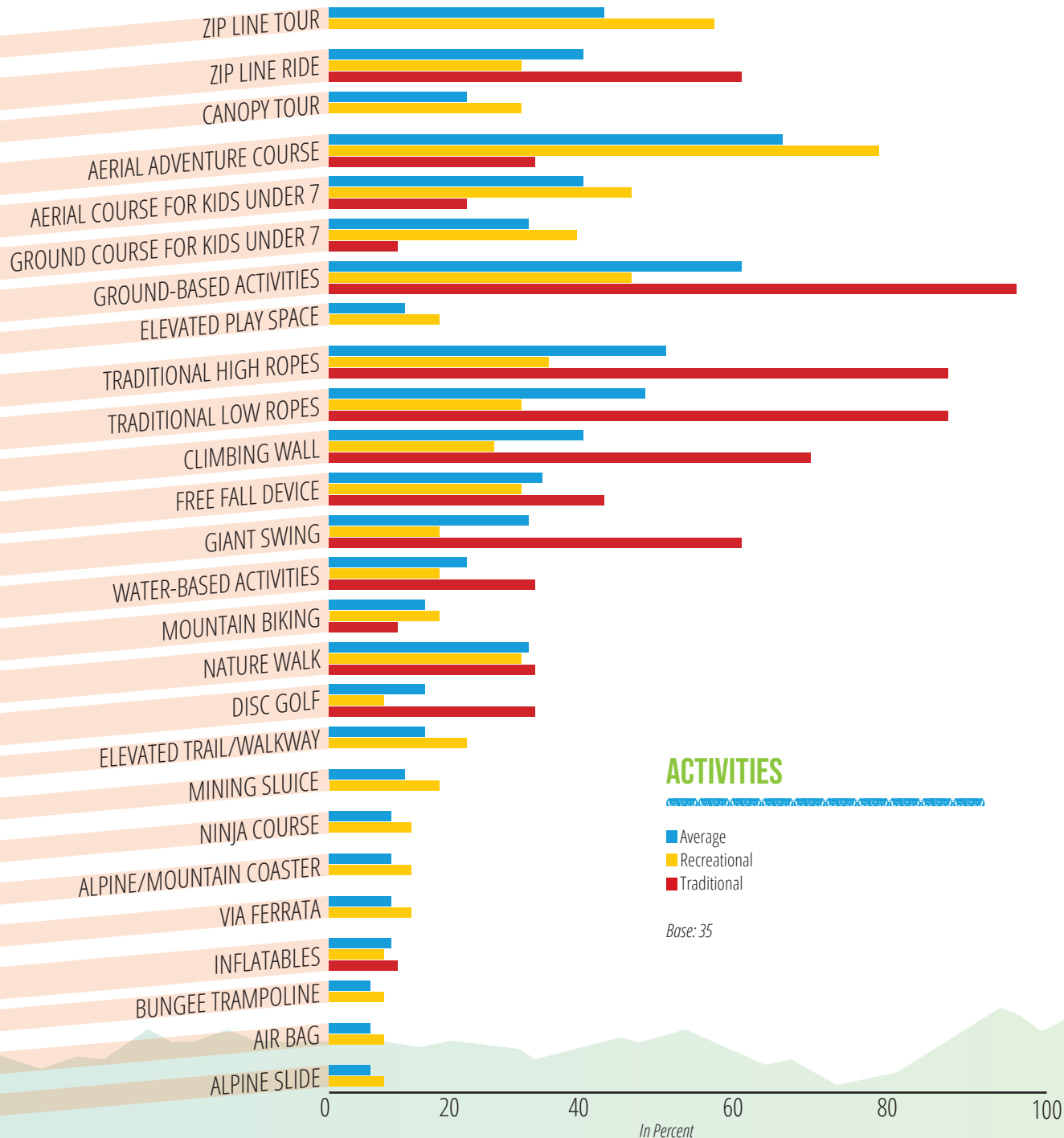
AVERAGE EXPENSE

Percentage of overall expenses for those that utilize the selected option.

Base: 18



ACTIVITIES & AMENITIES



Activities. Zip lines in their various forms were the most commonly offered activity by this year's survey respondents, followed by aerial adventure courses—100% and 80% of recreational respondents respectively. Among traditional respondents, 60% offered a zip line single span standalone activity, and 30% offered an aerial adventure course.

Traditional business returns to normal. With the return to “business as normal” for many traditional operations, ground-based team-building came roaring back. All traditional respondents reported offering the activity. Since the onset of the pandemic, this activity in particular had been restricted due to the close-contact nature of many of the games; only 43% of traditional respondents chose to run this activity in 2021. Traditional high and low ropes activities returned also, with 90% of traditional respondents offering both activities.

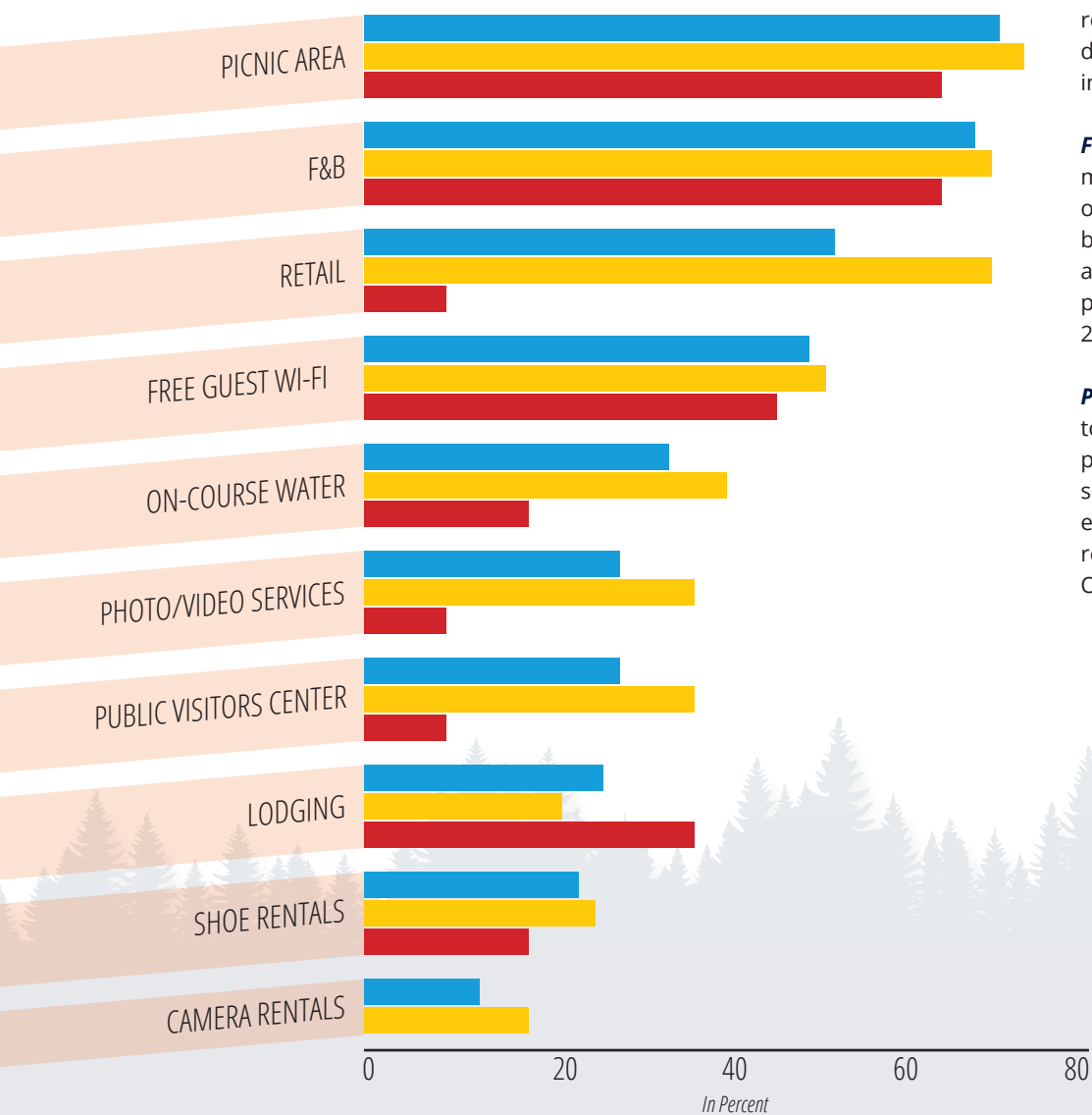
Additionally, 44% of recreational respondents reported offering ground-based team-building as well. While these activities were marketed as “team-building” and identified as such on the survey, a closer review of these offerings showed they were typically closer to “team bonding” activities, as has been true in prior years, and capitalized on a desire to rebuild in-person group dynamics.

ACTIVITIES & AMENITIES

AMENITIES



■ Average *Base: 35*
■ Recreational
■ Traditional



Amenities. Generally speaking, the amenities on offer have remained relatively steady year-over-year. Operators continue to offer outdoor spaces such as picnic areas. Retail options dropped for traditional respondents, which may reflect the composition of our respondent sample more than an actual change in retail strategy.

F&B. Food and beverage options remained fairly basic, with the majority of offerings being pre-packaged or snack bar items. Seventy-four percent of recreational respondents offered a vending or pre-packaged option, as compared with 25% of traditional respondents.

Photo services and camera rentals each took a hit in 2022 as compared to the previous year's survey, with the provision of photo services decreasing by eight percentage points for recreational respondents and 18 points for traditional. Operators navigating the trend of paid

photo services may need to walk this line carefully with the new outdoor participants. With fewer numbers of outdoor excursions per year, photos will likely be a high-demand item, but customers may be wary of additional costs.

Operators may be able to tackle this in several ways, such as creating activity packages that include photo services, or by leaving photos to their guests but being very strategic with branding placement such as on helmets, curated photo locations, and signage. The latter may not show an immediate ROI, but instead be part of an overall word-of-mouth marketing effort.

As visitation numbers change and demographics shift, it will be important for operators to determine the revenue per guest for photo services and camera rentals to review how those areas may be supporting the bottom line and if they can be evolved.



STAFFING

Staffing has long been, and continues to be, a challenge for operators. Nonetheless, operators reported they were able to maintain steady staffing levels year-over-year for year-round staff, both full-time and part-time. That said, respondents in 2022 reported slightly lower seasonal staffing levels, both part-time and full-time, than in the previous year.

The decrease in part-time seasonal staff numbers was most pronounced for small and traditional operations. Anecdotally, some traditional operators shared that they reduced some full-time staff to part-time during the pandemic, but were able to bring them back to full time in 2022. Larger and recreational operations remained relatively steady year-over-year for part-time staffers.

Staffing will likely remain a challenge in 2023, although employment in the outdoors has appeal. In 2021, outdoor recreation made up 3% of the national workforce, a total of 4.5 million jobs, according to the Bureau of Economic Analysis. While adventure parks make up a small subset of that total, the outdoor recreation economy is making gains in the national landscape.

This growth in the national outdoor recreation economy is an opportunity

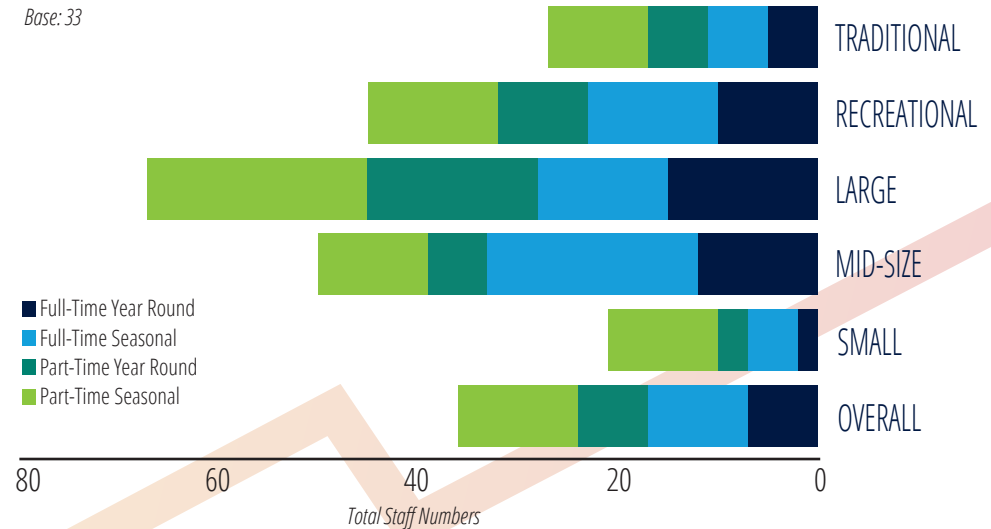
for operators who can capitalize on the post-pandemic desire for more rewarding workplaces that kicked off with the “Great Resignation.” However, this opportunity comes with several strings attached. “Passion jobs” still need to meet employee requirements for a living wage, scheduling flexibility, values alignment, and opportunities for growth.

Wages. Aerial adventure businesses, like most businesses, increased wages in 2022 in an effort to attract sufficient staff. Eighty-four percent of respondents reported increasing wages. In the case of traditional operations, this was true only for entry-level employees. Traditional respondents reported wages for all other employee levels were lower than those reported the previous year. This could be the result of the different respondent groups in both years, or the result of understaffing during the pandemic and the increased workload many managers carried in both 2020 and 2021.

According to the Bureau of Labor Statistics, wages and salaries for private industry workers rose 5.2 percent between September 2021 and September 2022. Based on our small sample, it seems that aerial adventure businesses topped that increase, with back-of-the-house staff seeing the greatest increase.

STAFFING LEVELS

Base: 33



WAGES

Average Hourly Rate

Base: 33

Recreational
Traditional



ACTIVITIES & AMENITIES

Hiring staff is the top priority of respondents going into 2023. Our respondents have plenty of company in that: the Outdoor Industry Workforce Assessment from the Outdoor Industry Association reported that 66 percent of respondents had difficulty finding qualified applicants. The most reported issues hindering hiring include lack of affordable housing proximal to the job location, competition from other companies and industries, and the cost of living where jobs are located.

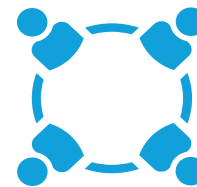
Return rates remained steady year-over-year for aerial adventure operators, with an average of 43% of staff returning. However, it is important for operators to keep track of return rates for seasonal staff and identify why staff may not return. It would also behoove operators to survey staff at the end of each season to identify how to improve the employment experience and learn what can be done to make staff want to return.

Respondents reported an increase in the percentage of female-identifying staff members year-over-year. The return of women to the aerial adventure workforce is significant. Throughout the pandemic, women were exiting the national workforce at four times the rate of men, many due to childcare concerns.

Adventure parks appear to be tackling this issue head on, as female-identifying staffing levels rose nearly eight percentage points, returning to the percentage of female-identifying staff to pre-pandemic levels.

Diversity decrease. Respondents reported a decrease in the diversity of their staff, with BIPOC staff members comprising an average of 13% of the teams at responding operations—down an average of five percentage points year-over-year. This may be due to the different respondent groups in each year. However, as with visitation, operators will need to look toward demographics that have not been traditionally part of the “core” outdoor customer base to sustainably maintain and grow visitation—and their workforce.

STAFF DEMOGRAPHICS



RETURNING STAFF

43% AVERAGE
43% RECREATIONAL
42% TRADITIONAL

FEMALE STAFF

54% AVERAGE
50% RECREATIONAL
61% TRADITIONAL



BIPOC STAFF

13% AVERAGE
15% RECREATIONAL
8% TRADITIONAL

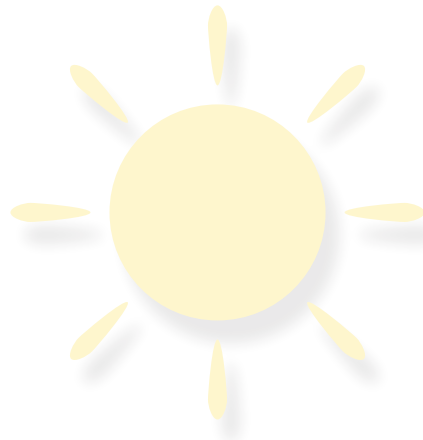
MARKETING

Digital marketing remained a focus in 2022, along with the return of some more traditional marketing such as brochures. While that is likely to be the case in 2023, too, changes in consumer profiles and participation trends mean that operators will need to take a look at their channel mix and its effectiveness as they target new consumers.

Word of mouth returns. Word of mouth had become less utilized in 2021, according to respondents that year; in 2022, with the waning of pandemic restrictions, it once again became a primary channel for 82% of recreational respondents and 90% of traditional respondents. This is an increase of 18 percentage points as compared to the 2021 survey results.

Despite the increase, word of mouth was not ranked as a particularly effective channel for operators in 2022. This could be due, in part, to the shifting demographics of adventure park guests. As the outdoors becomes appealing to new markets, adventure park operators may need to focus on attracting “early adopters” in those markets in order to create brand ambassadors and properly leverage word of mouth.

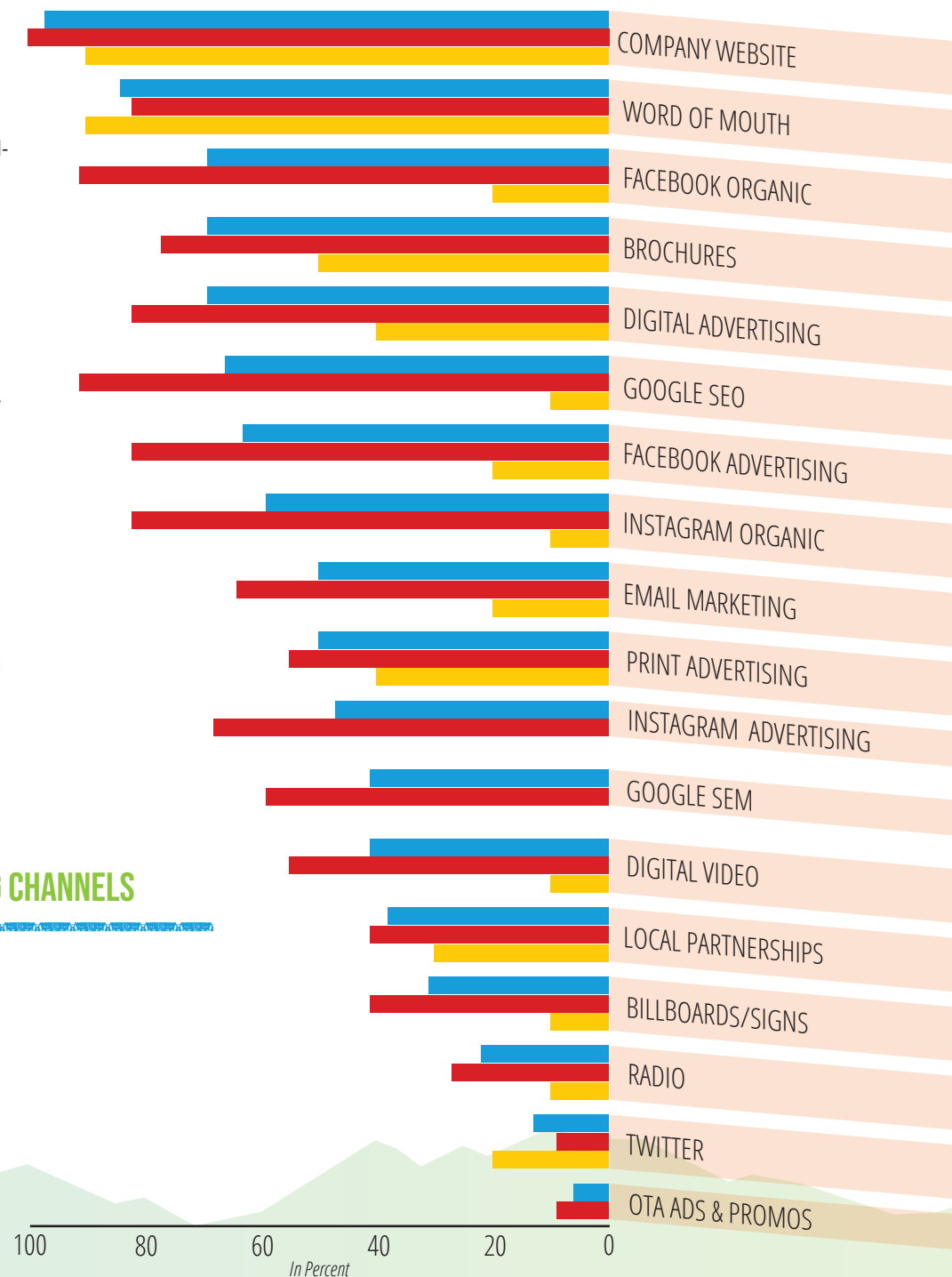
Brochures are back. After several years where digital marketing reigned, especially during the pandemic when the ability to make quick pivots was key, brochures once again climbed into the top five most-utilized channels. While brochures alone may not drive conversion to book, they can be a useful tool when implemented properly, such as in concert with a local partnership at an area business. Brochures can be a great way to tell your story.



MARKETING CHANNELS

■ Average
 ■ Recreational
 ■ Traditional

Base: 30



MARKETING

Tracking effectiveness. Marketing strategy is more important than ever as operators target new outdoor consumers, and being able to measure efficacy and ROI is key to understanding successful efforts.

The tracking methods used to assess marketing tactics vary. For example, 86% of recreational respondents utilize Google Analytics to track digital campaign effectiveness, as compared to only 10% of traditional respondents, who mostly rely

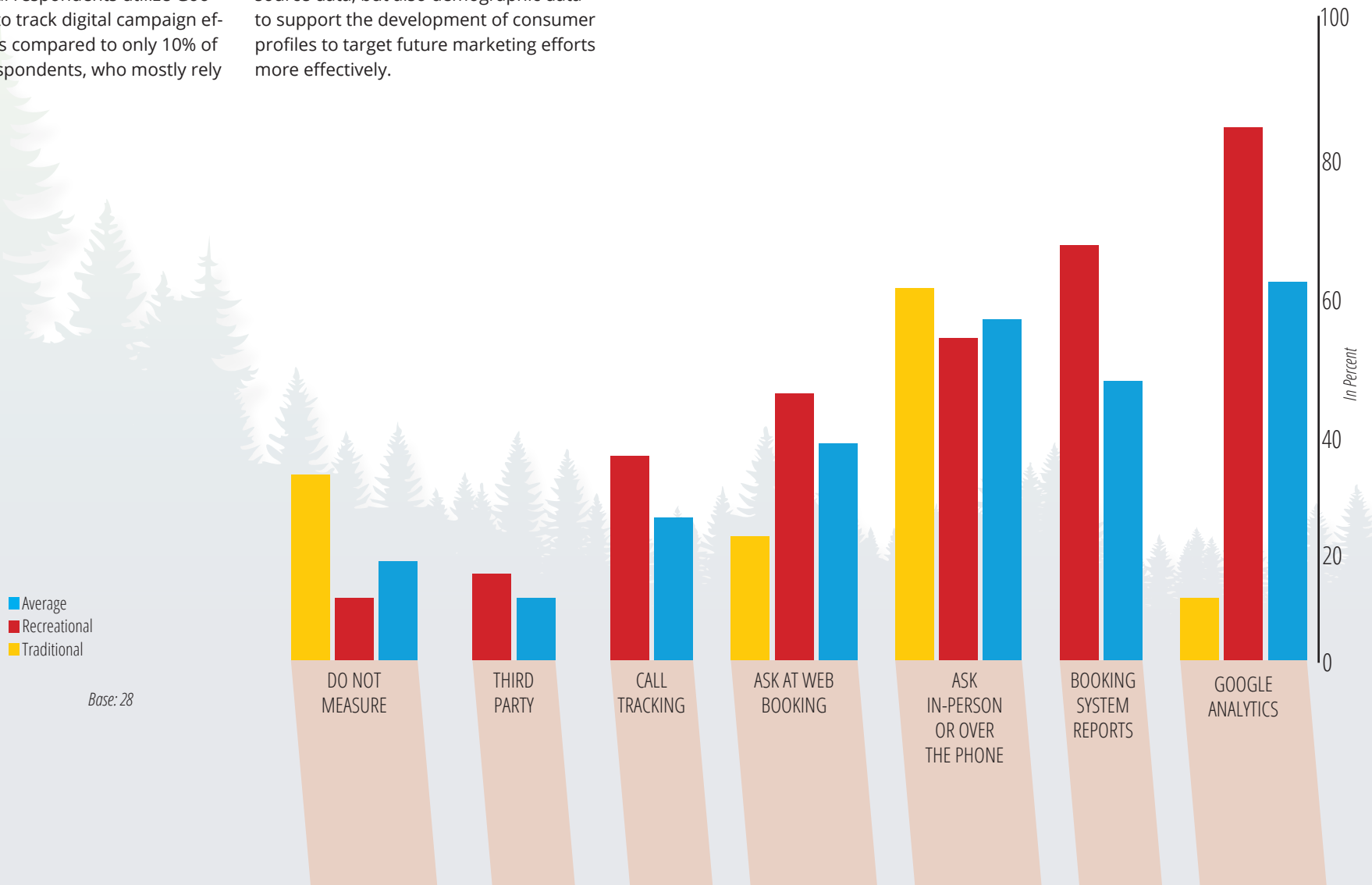
on more direct methods, such as simply asking participants when they book, either in person or over the phone.

Reservations-system reports are another tool that recreational respondents use. Many reservations systems have the capability of collecting not only marketing source data, but also demographic data to support the development of consumer profiles to target future marketing efforts more effectively.



TRACKING METHODS

Totals equal more than 100 as operators use more than one tracking method.



Base: 28

MARKETING

Effective channels. The most effective channel, according to respondents, was ad placement on online travel agencies (OTAs). This is a significant change over responses in 2021, which ranked OTAs as second to last, just ahead of radio. (Once again, this may in part reflect the different respondents in the two years.) OTAs are often recognized consumer brands and may be a solid channel for attracting new outdoor consumers who may not be familiar with specific adventure park brands, but may be familiar with platforms such as TripAdvisor.

Search engine optimization (SEO) and search engine marketing (SEM) were more consistent with prior years—both held onto top spots once again. SEO implementation increased among this year's sample (66%) as compared to last year's (51%), as did SEM, up to 41% from 38%.

SEO and SEM are both excellent tools to drive traffic, especially Google-happy newbies who are not knowledgeable enough yet to direct search. However, it will take more than sprinkling a couple keywords throughout your site. SEO and SEM are getting increasingly sophisticated, yet the survey suggests that done right they can be incredibly effective.

Oddly, word of mouth—until recently considered one of the most effective marketing channels—was viewed as the least effective in 2022. Were consumers

talking more about returning to indoor activities or other pre-pandemic favorites? Regardless, it will be important for operators to get their guests talking about their aerial adventures.

Looking ahead. As operators look toward 2023, it will be more important than ever to stay on top of marketing strategy. Not only do operators have the challenge of attracting new outdoor consumers who don't fit historical profiles, the lower frequency with which these consumers visit the outdoors also poses a challenge. So does increased competition from other outdoor activities, and from the return to indoor activities as well. All this can lead to increased marketing spend per guest.

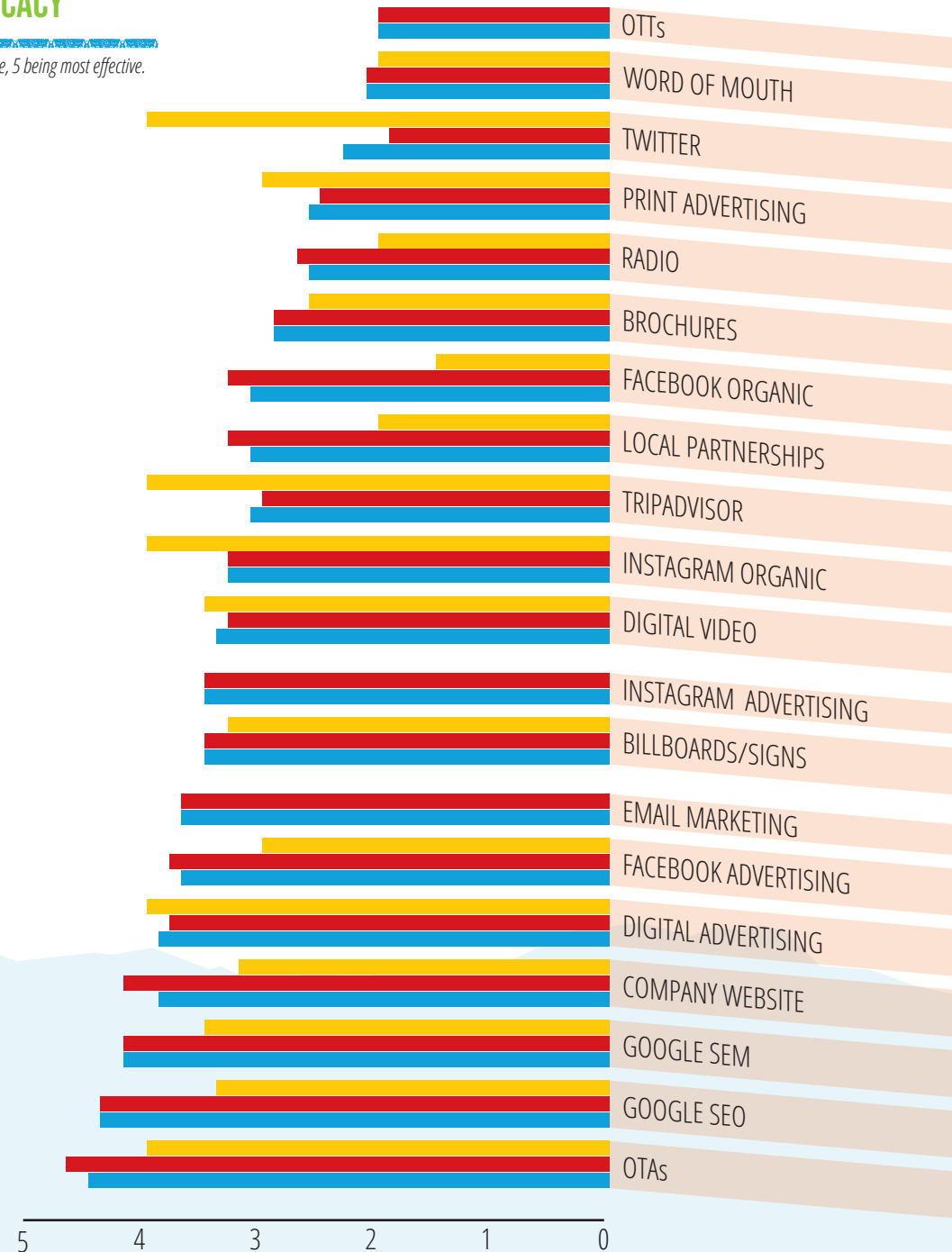
However, there is a huge opportunity for adventure parks, camps, and experiential programs with their low barrier for entry. These are guided activities with clear instructions that require no special equipment purchase or prior knowledge or experience on behalf of the consumer. This is incredibly enticing to a new consumer who may not be as confident in the outdoor space—if the experience is marketed properly.

MARKETING EFFICACY

Ranked 1-5, 1 being least effective, 5 being most effective.

■ Average
■ Recreational
■ Traditional

Base: 27



BOOKING

Booking windows decreased in 2022, as consumers saw less need to book adventures in advance. With operations returning to normal, consumer booking habits also swung back toward pre-pandemic norms, for both recreational and traditional operations.

Shorter window. In 2021, consumers were planning ahead. Respondents reported that only 16% of recreational bookings were made the same day, and another 20% were made within three days of participating. Those figures in 2022 were 26% and 30%, respectively. That's similar to 2019, when recreational respondents reported 32% of bookings were made same day, and 26% were made within three days.

For traditional respondents, the surprise is the rate at which bookings are made same-day. This may be a result of traditional respondents coming back online and experiencing the same uncertainty that recreational respondents reported back in 2020. That said, 42% of all traditional bookings occur a month or more in advance, and another 29% are made at least two weeks in advance.

Booking methods. With the return to shorter booking windows, recreational respondents reported an increase in the number of in-person bookings, to 21%. That figure had dipped below 10% in 2021. Phone and email bookings remained high at 19% for recreational respondents. Traditional respondents saw a significant increase in direct contact bookings via phone or email, at an average of 55% of total bookings, up from 23% reported by survey participants in 2021.

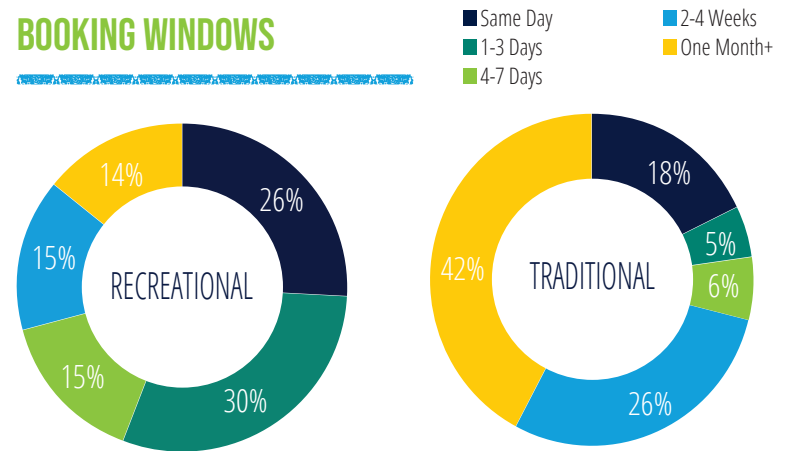
A priority in 2022 was a continued focus on direct bookings, especially for recreational sites, which has been successful. These bookings come not only in person or by phone or email, but also via the company website. Throughout the pandemic, operators reported seeing increases in bookings via third parties, including local partnerships, regional marketing organizations, and online travel agencies (OTAs). Generally speaking, those third-party organizations took a smaller bite out of the booking totals in 2022.

An exception to that is local partnerships, which grew for recreational respondents to an average of 7% of overall bookings, a three-percentage-point increase year-over-year.

What does this mean for operators? With an increased focus on direct bookings, operators paid fewer fees to third parties and kept more of the ticket revenue themselves. However, with that came the loss of the marketing engine that bolsters those booking types.

Some operators understand that, of course. Despite this downtrend in OTA booking, OTA ad placement was considered the most effective marketing channel by both recreational and traditional respondents who used it. Operators who saw a decrease in overall visitation and decreased their third-party bookings may want to look at the breakdown of how many bookings they may have missed and how much was saved in booking fees. It may be wise to shift those funds into direct marketing efforts or leverage third parties with offers or ad placements.

BOOKING WINDOWS

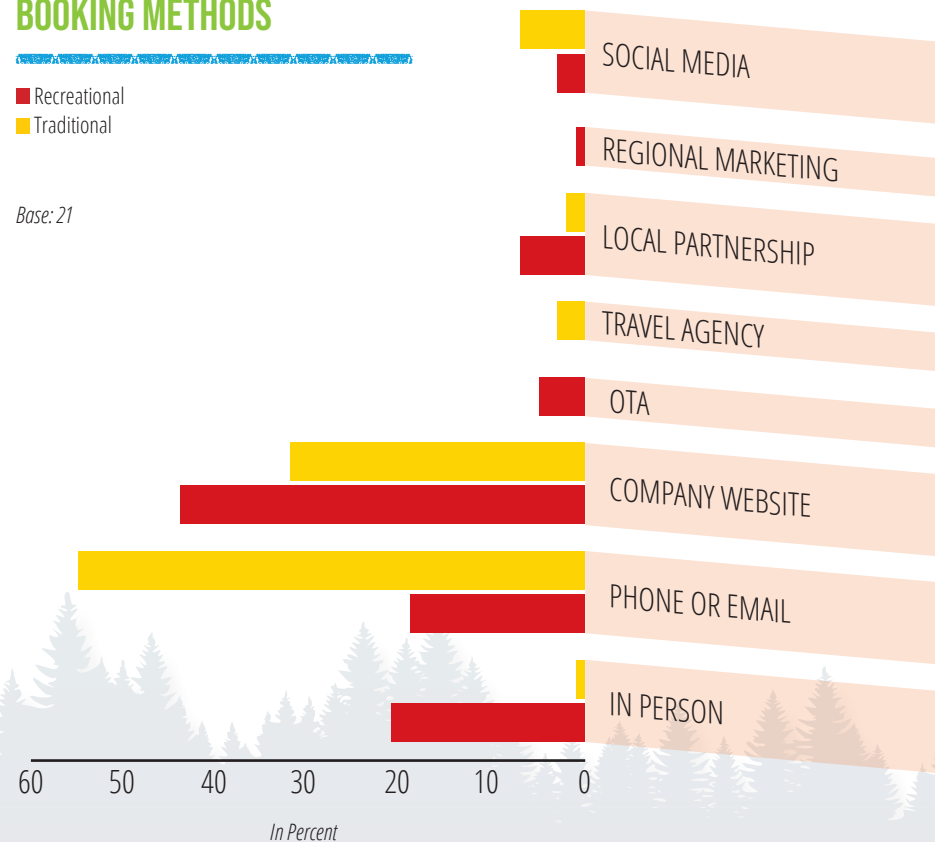


Base: 21

BOOKING METHODS



Base: 21



THE FUTURE

Given the ups (increased revenue!) and downs (decreased visitation) of the past season, it's not a surprise that operators have some concerns about the upcoming 2023 season. Chief among those concerns are staffing and slow consumer spending. That makes finding and hiring staff the top priority, followed by reaching new markets and growing sales to those markets through direct channels.

Staffing continues to be a significant point of concern for respondents, and hiring staff is the top priority of respondents going into 2023.

Overcoming the staffing challenge is not a small task, and operators may need to look for creative solutions. This may include collaborating with other community stakeholders experiencing similar issues to identify potential partnership opportunities. Or, leveraging your operation's voice to advocate for solutions at a regional, state, or federal level to work toward policy-supported solutions for affordable housing and other pervasive problems.

Consumer spending. Given the impact of inflation and widespread apprehension about a potential recession, it's not surprising that slow consumer spending is the second biggest concern among operators. It's also not surprising that operators are prioritizing growing direct sales and reaching new markets.

Fifty-seven percent of respondents are prioritizing growing sales through direct channels. If that goal is to be met, operators will need to ensure that they are

tracking marketing and sales conversion points in order to measure ROI. This may not necessitate an increase in marketing spend—only 7% of respondents intend to increase their marketing budgets—but it may require a more targeted (and measurable!) approach.

And reaching new markets while maintaining existing ones may, indeed, require increased spending on marketing.

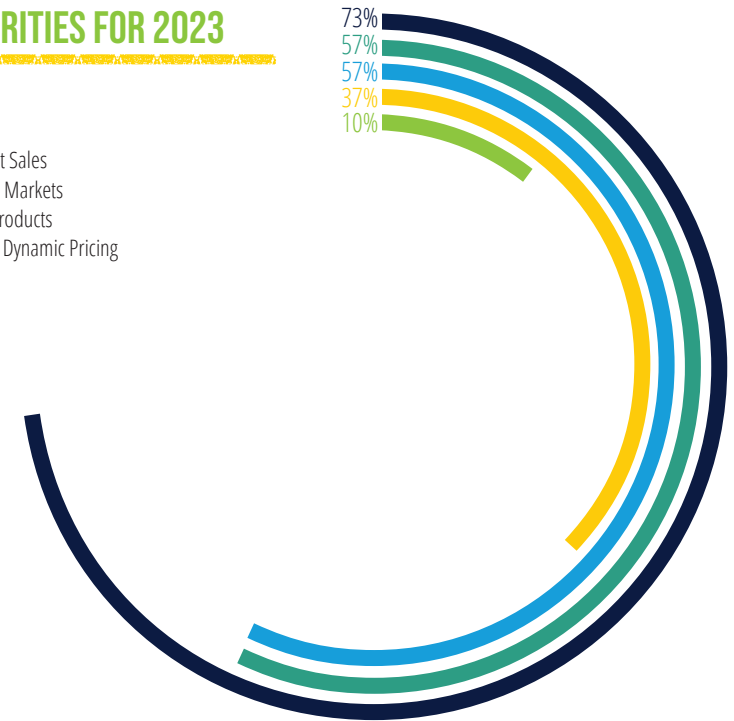
A targeted approach will also be required in order to reach new markets, also a priority for 57% of respondents. As the outdoor consumer profile shifts, a shift in marketing may be required as well. Whether that means changes in messaging, content, placement, or channel mix will be dependent on the operation. But it will be imperative that operators look closely at their marketing ROI and pivot if they are not reaching their target markets.

Adventure park and experiential program operators have challenges ahead for 2023, that is for certain. However, the return of group activities provides an opportunity, and the appreciation for the outdoors that flourished during the pandemic could yet provide another. It will be up to operators to determine how to turn these opportunities into success stories.

TOP PRIORITIES FOR 2023

Base: 30

- Hiring Staff
- Growing Direct Sales
- Reaching New Markets
- Adding New Products
- Implementing Dynamic Pricing

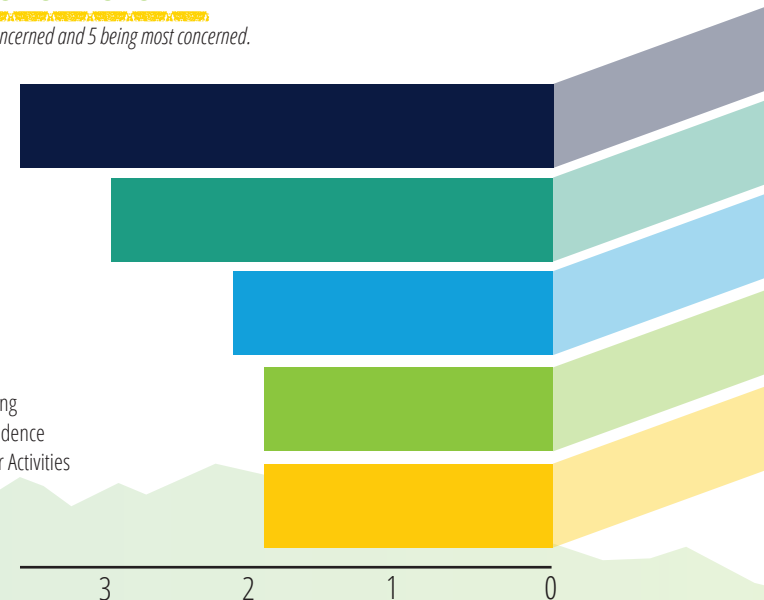


TOP CONCERNS FOR 2023

Ranked 1-5, 1 being least concerned and 5 being most concerned.

Base: 30

- Staffing
- Slow Consumer Spending
- Lack of Consumer Confidence
- Competition from Other Activities
- Regulation





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