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Strategies for the future - Roland Mack: Putting innovation into practice

Talking to Roland Mack

Europa-Park in Rust (near Freiburg, Germany) is taking on new dimensions as it builds on its leader position as Germany's largest leisure park. The park welcomed over 3.5 million people last year. What is the secret of such success, what is the strategy behind it? In my view, success is due largely to factors such as quality, emotion and innovation. Without a first-class product, even the best strategy and the most effective marketing won't get you far. Equally, however, a good brand is essential, a good brand generates value. You'd be amazed by the figures analysts put on the brand value of, say, Cola, Mercedes Benz or Nivea. And good brands are always driven by innovation.

Europa-Park did not suddenly acquire its image overnight, with a publicity campaign for example - it was built up slowly, month-by-month, year-by-year. The attractions arrive one by one. Visitors like the quality and emotion they experience. They tell other people about the Park and come back again themselves. The Europa-Park image has developed almost imperceptibly. We've always adhered to a core principle: experience quality yourself and you won't forget it. Scientists talk about "Communicating through experience?" or "Communicating through events?". Our gut feeling was to push ahead with that approach. Writing in 530 BC, Confucius said:

I hear and I forget

I see and I remember

I experience and I understand

Europa-Park is now the world's largest seasonal leisure park. Obviously, that kind of status also goes hand in hand with marketing, publicity and communication costs. Without a steady stream of new ideas and initiatives, people would find us boring, and they would soon forget us. Our

Contact

Phone +49 7822 77-14100
Fax +49 7822 77-14105
presse@europapark.de

Europa-Park-Straße 2 | 77977 Rust
www.europapark.de/presse

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strategy is to innovate by expanding our operating base. In addition to our core business, the leisure park, other pillars such as the hotels, TV productions, conferences ("Confertainment?"), shopping and outside events are starting to play a bigger part in the value creation chain.

Leisure parks as short-break destinations

How will people spend their leisure time in the future? Short-break destinations will tend to replace long holidays. That means leisure park visitors want both daytime attractions with a constant flow of new rides, plus sophisticated evening entertainment with cinema, bars, the chance to take part in TV broadcasts and dinners with shows. The new trend is towards short breaks. To succeed, we have to keep our finger on the pulse all the time, we have to give our guests and customers what they want. Entrepreneurs have to be "enterprising?", with all the risks that entails. Reinhold Messner says: If you don't risk anything, you can't even lose! It takes a lot of courage to set out for new horizons all the time, but innovation pays back in the end. A survey of excursion habits in Germany conducted last year by the German National Tourist Board revealed that Europa-Park is the most visited destination in the whole of Germany after Cologne Cathedral.

"Colosseo?", the new Italian theme hotel, is the biggest single investment (45 million euros) in the long history of the Mack Group, which was founded back in 1780. The largest Italian hotel outside Italy, the Colosseo will open in June and provide a further 1,450 beds. Mediterranean flair and authentic fittings and furnishings will transport guests to a holiday environment far from everyday worries. A Roman coliseum built on a scale of 1:2 will conceal luxurious suites and a large wellness complex with saunas and a Roman bath. It will double the overnight accommodation capacity at the Europa-Park resort (4128 beds).

Early scepticism

Every day, visitors of the park enjoy over 100 attractions and shows in eleven European theme areas. We employ 150 artistes from 22 countries. You would need 4.5 hours to see all the shows in one day. This development is a reflection of the fact that visitors to Germany's largest leisure park now stay longer and longer each time they visit. Europa-Park

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is becoming a travel destination, with 220,000 overnight stays in 2003. Neckermann, the German travel agent, reports that its most-frequently booked hotels are El Andaluz and Castillo Alcazar, the two other Europa-Park lodges. The Europa-Park catering facility is the largest single-site operation in Germany. It is hard to believe that 29 years ago, in the Park's early days, headlines such as "Treat of bankruptcy hovers over Rust?" were everywhere, and virtually no one believed we would succeed. The banks were tough negotiating partners and no one in the catering trade wanted to commit, despite countless approaches on our side.

Finally, we had no other choice but to operate the restaurants ourselves. In fact, that actually turned out to be a good thing: the kind of catering we offer is widely regarded as the most innovative in the industry. Each year we host just under 1,000 conferences in ten different conference rooms with capacity for up to 2,300 persons. We also offer a choice of 15 evening programmes for conference participants. We set the trends that people copy elsewhere.

I also believe the family spirit of our business comes through here. It creates confidence when others see the owner committing 100% to an enterprise. And family businesses ensure short decision-making routes, which keeps us flexible, and the employees know exactly where they are. "Standing still is the same as moving backwards. Europa-Park must move forwards all the time, that is the base on which our success rests?. The completion of the "Colosseo?", which is due to open in summer 2004, will also strengthen our position as a key player in the Baden-Württemberg economy.

Around 8,000 indirect jobs

Europa-Park will create 300 new jobs in 2004, bringing the total workforce to 2,800. Given the difficult economic environment, that is something which should not be taken for granted. Our company is by far the largest employer in the region. A further 8,000 jobs, or thereabouts, depend indirectly on the Park. And we always try to award business to local firms; medium-sized companies benefit a lot by Europa-Park.

I have been privileged to win national acclaim with the "Entrepreneur of the Year 2003?" award. Indeed I was almost embarrassed by the number

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of voters who elected me the "best and most dynamic German entrepreneur in the services sector?". I was invited to the World Meeting of Entrepreneurs in California, where the Europa-Park success concept attracted huge interest. Such honours aside, I have learnt that success is possible, even in difficult times, if everyone pulls in the same direction. Without a doubt, we are lucky to have such close links with Mack Waldkirch, one of the world's leading manufacturers of fairground attractions. It will come as no surprise, then, that some 90 percent of the rides in Europa-Park are supplied by our own facility. The Park has always acted as a store window for Mack production operations.

Always ahead of the competition

Naturally, we make every effort to stay ahead of the competition. Take, for example, our "Silverstar" ride, Europe's highest roller coaster with an acceleration of around 4 g and top speeds of 130 kilometres per hour. We intend to be the trailblazer when it comes to new rides. But higher, faster, further are not the only factors that interest us - we're also out to capture people's hearts and emotions. And with families making up over 90 percent of last year's 3.6 million visitors, Europa-Park has obviously made this target group the focal point of its operations.

The 4-D cinema that opened in 2003 underlines this philosophy. This attraction, which features a fantastic nature film made in partnership with the WWF Germany (World Wide Fund for Nature) shot straight to number two in the hit parade of the most popular attractions. The Council of Europe in Strasbourg has appointed me the "Council of Europe Special Ambassador for the Family". Dr. Walter Schwimmer, Secretary General of the Council of Europe says: "Europa-Park is an excellent example of the family idea in practice. It introduces young people, in an entertaining way, to concepts such as tolerance and the need to combat racism." The Council of Europe plans to host a big international youth camp at Europa-Park in the summer of 2004. The aim behind this get-together between young people from different nations is to defuse the potential for future conflict.

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Over 400 million euros invested

Europa-Park has invested 420 million euros in its 29-year history - without

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a single euro in state subsidies, a record of which I am rather proud. Our visitors vote with their feet every day: they come to us. Almost 60 million so far. One thing is worth remembering: it's people behind the scenes who bring strategies alive. You have to have a motivated team to be able to perform at your best. That's why we attach such importance to training, courtesy and motivation.

Sometimes I'm even amazed myself: Rust has grown from the little fishing and farming village that it was to the market leader in European leisure parks. There may be no farmers or fishers in Rust today, but virtually every family is connected with Europa-Park in some way. But just because we're successful doesn't mean you'll catch us resting on our laurels. Even now, we're busy defining attractions for the next few years. Drawing board strategies are no use at all. Without a vision, we can shut the Park. Innovation is the key to our strategy for success - provided we then put it into practice and always keep our eyes open for new ideas.

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