

Experience Something Greater.

*Jumpstarting Ocean Park's renovation
into the quintessential Hong Kong experience*

Presented by:

WBBA Team 8

Ocean Park should jumpstart its renovation strategy to reposition itself as a unique experiential park.

Executive Summary



Question

How can Ocean Park reposition itself as an **experiential thematic park** while improving its financial stability?



Challenges

Differentiate from competitor theme parks

Rebuild **customer traffic**

Achieve financial **sustainability**



Solution

Ocean Park should **jumpstart** its renovation into the **quintessential Hong Kong experience.**



Impact

HKD\$2670 million revenue from cable cars in 2023

22% increase in visitors in 2027

43% net profit margin in 2026-2027

There is an opportunity for Ocean Park to leverage its core competencies.

Company Analysis

Core Competencies



Exclusive Landscape & Nature



Established Reputation



Unique Wildlife Attractions



Premier Educational Park



Market Data

After Covid19, **20%** of adults are new to outdoor recreational activities.

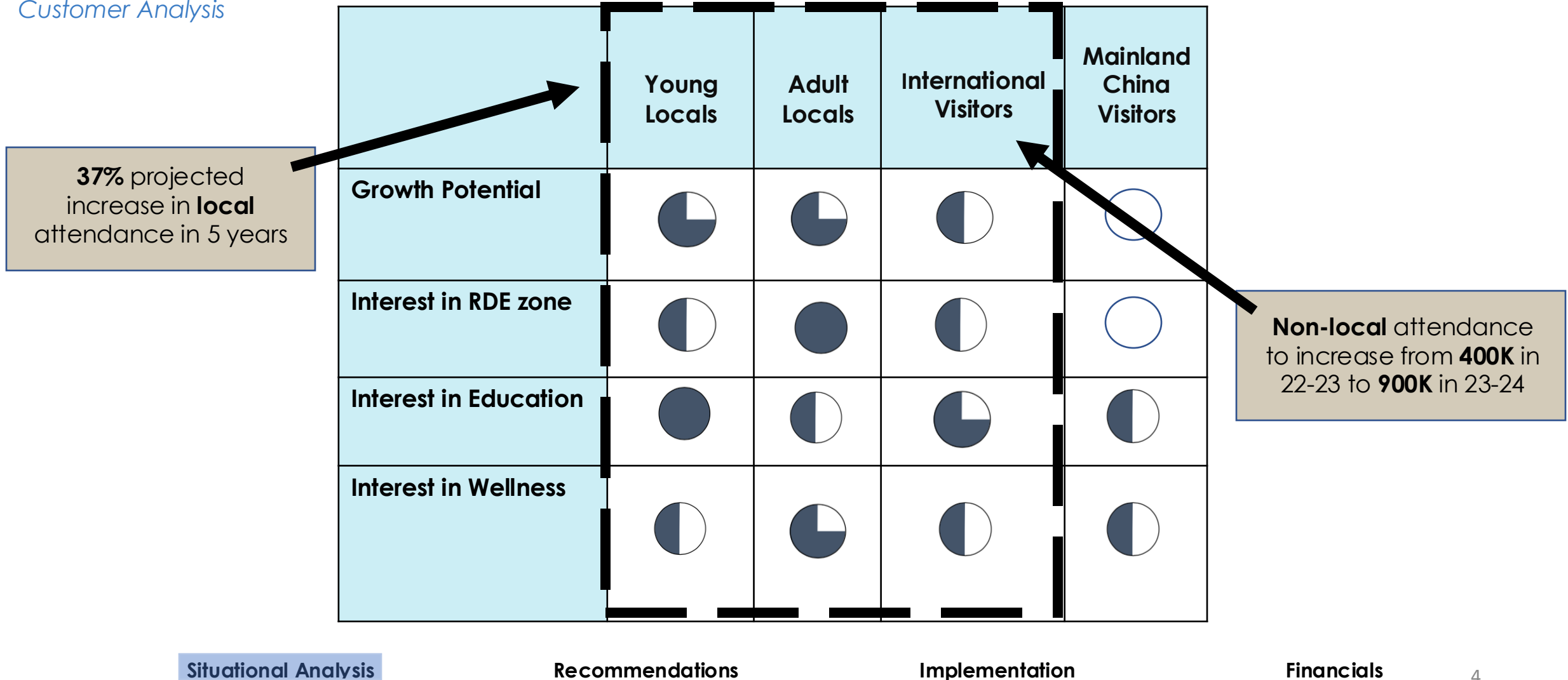
40% of a destination's attractiveness is determined by its reputation.

Wildlife tourist market projected to grow **5%** CAGR during 2022-2032.

Educational recreation has **long-term impacts** on pupils' physical and mental health.

Given current and future strategies, three customer segments should be targeted.

Customer Analysis



A typical customer journey reveals three pain points in the current customer experience.

Customer Journey

Carlo



20 years old



International Student



Target customer

Situational Analysis

Carlo goes to OPC to see pandas

Doesn't want to pay an **entire ticket price**

Lack of a personalized experience

Unaware of available programs & experiences

Unclear product offerings

No **Hong Kong** unique experiences

Poor HK cultural exposure

Recommendations

Implementation

Financials

Ocean Park should launch a modified Pay-As-You-Go (PAYG) model to address its critical financial situation immediately.

Short Term Recommendation

The Short-Term Problem:

Ocean Park is currently experiencing **low customer traffic** and **unsustainable losses**.

The Short-Term Solution:

Jumpstart the **pay-as-you go** model by opening the lower park to the public.
Public would be allowed access to the following experiences **without a full-price ticket**:



Sky Tram (Special ticket fee)



Retail & Dining

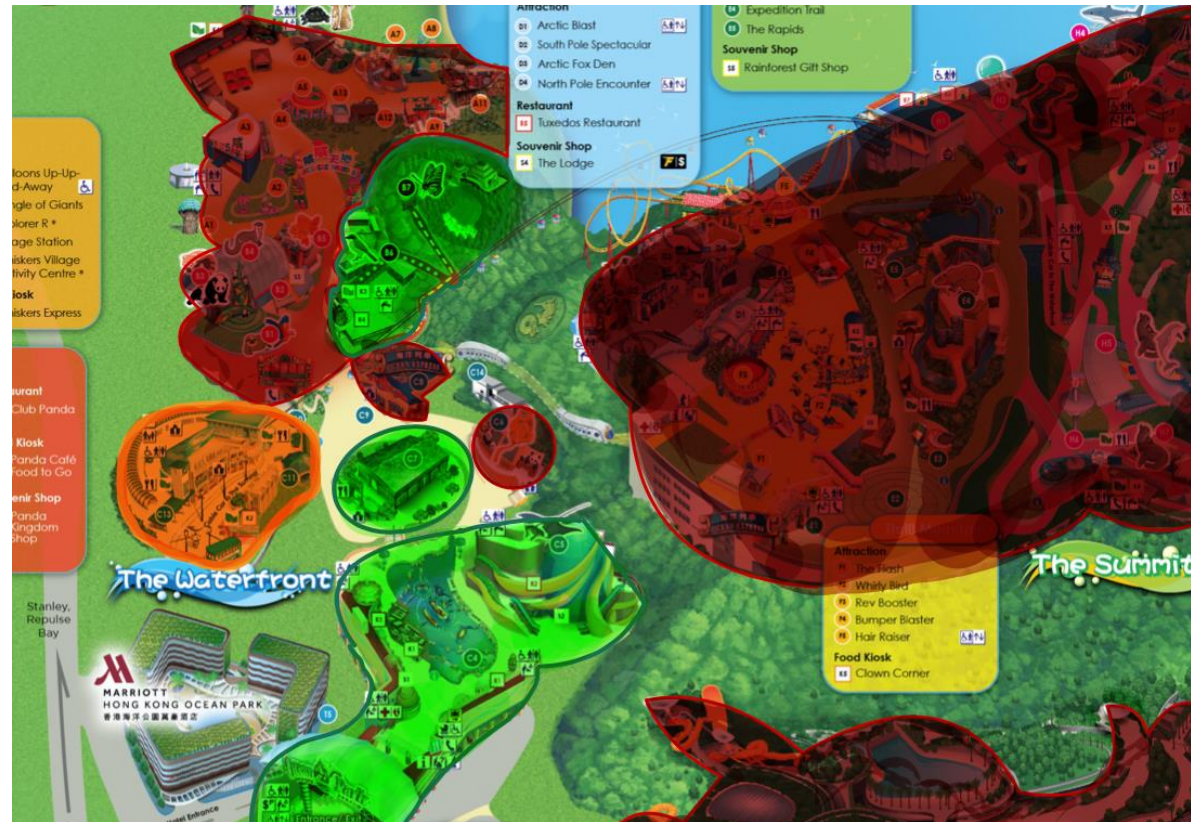


Old Hong Kong

The proposed short-term PAYG model would open select zones of the park to the public.



Short Term Recommendation



Jumpstarting PAYG would provide Ocean Park immediate revenue.

Short Term Recommendation

2.44
million

Projected
increase in
customer
traffic.

Why would this increase traffic?

1

other

Sky Tram available in
Hong Kong

15

minutes

To reach Central Station
to Ocean Park via MTR

4

zones

Open to the public,
spanning ages 3-65+

Jumpstarting PAYG would also facilitate a faster transition towards long-term Rethink goals.

Short Term Recommendation

Key Takeaway:

The accelerated PAYG model, surveys, and revised maps will help Ocean Park immediately accelerate its short-term solutions.

PAYG will accelerate:



Opening the park to more visitors; increasing exposure.



Gauging interest in various themes and the PAYG as a whole.

Other strategies to accelerate Rethink:



Customer surveys to discover thrill ride popularity.



Maps to give visitors the desired experience and establish themes.

The long-term rethink strategy should be rethemed into four zones, with adventure, wellness, and education integrated into each zone.



Long Term Recommendation

BEFORE



Situational Analysis

Recommendations

AFTER



- Old Hong Kong Zone
- Polar Zone
- Rainforest Zone
- Marine Zone

Implementation

Financials

In the upper park, clear retheming by animal exhibit would rebrand Ocean Park into an experiential thematic park.



Long Term Recommendation

1

Clarity

simplified, clearly defined, and themed zones would correlate to each animal exhibit

2

Coherency

properly theming each attraction would provide coherent aesthetics

3

Cost Efficiency

removing unpopular attractions and improving successful ones would cut costs and generate revenue

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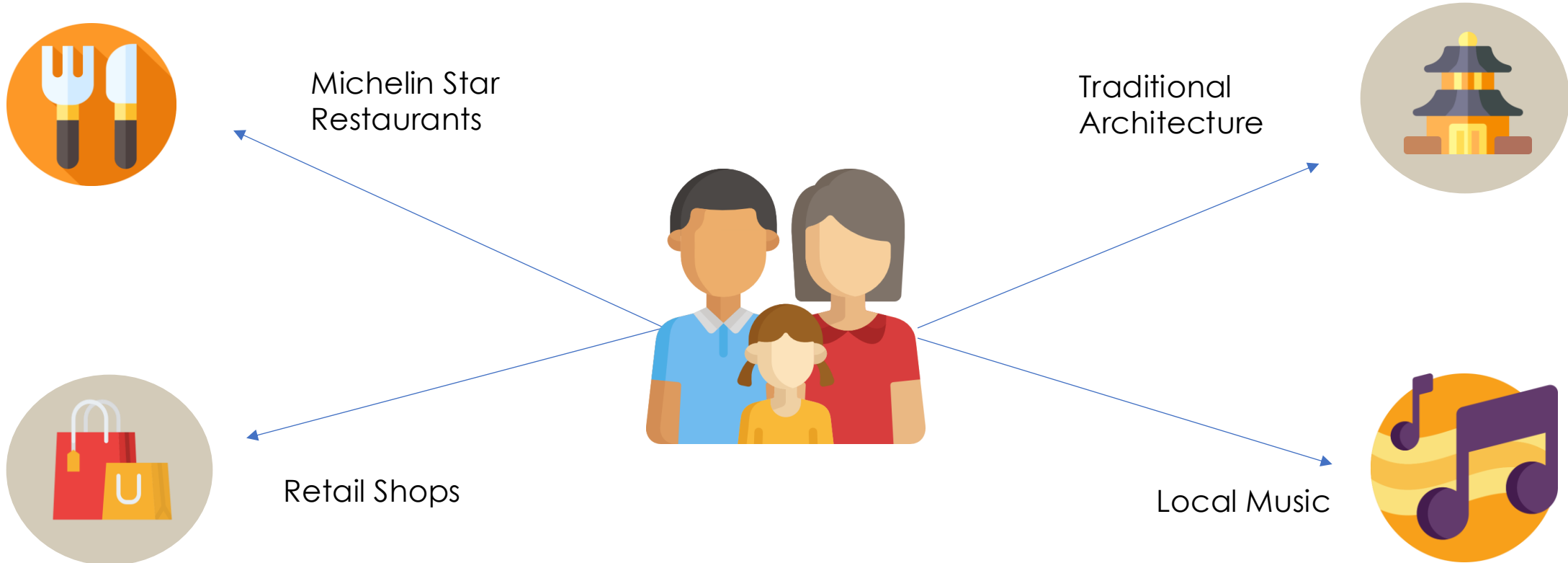
Cost Efficiency

removing unpopular attractions and improving successful ones would cut costs and generate revenue

The RDE Zone should be themed to create the ultimate Old Hong Kong Experience.



Long Term Recommendation



By jumpstarting PAYG and retheming the park, Carlo's pain points are now addressed.

Impact on Customer Journey

Carlo




20 years old


International Student


Target customer

Situational Analysis

Carlo goes to OPC to see pandas

He pays a ticket for the specific thematic zone

Personalized experience acquired

Clear product offerings

Educational & conservation exposure and learning

HK cultural exposure acquired

Unique Hong Kong exposure

Recommendations

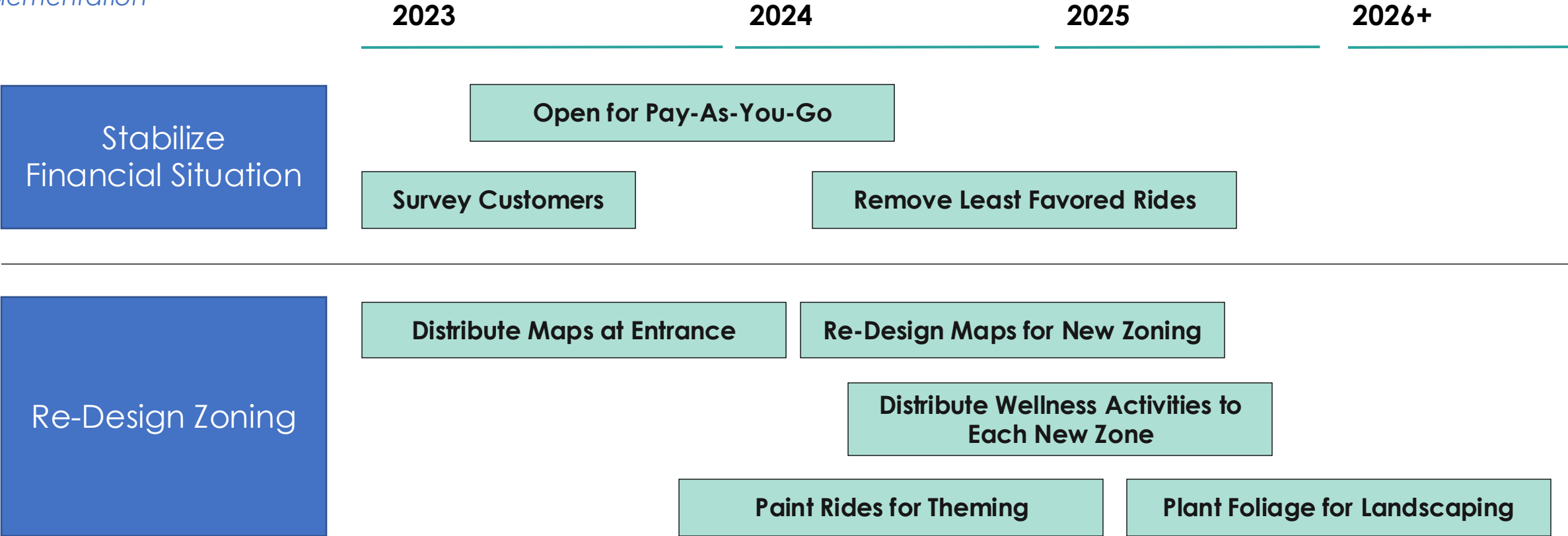
Implementation

Financials

Implementation should stabilize the financial situation while also accelerating long term goals.

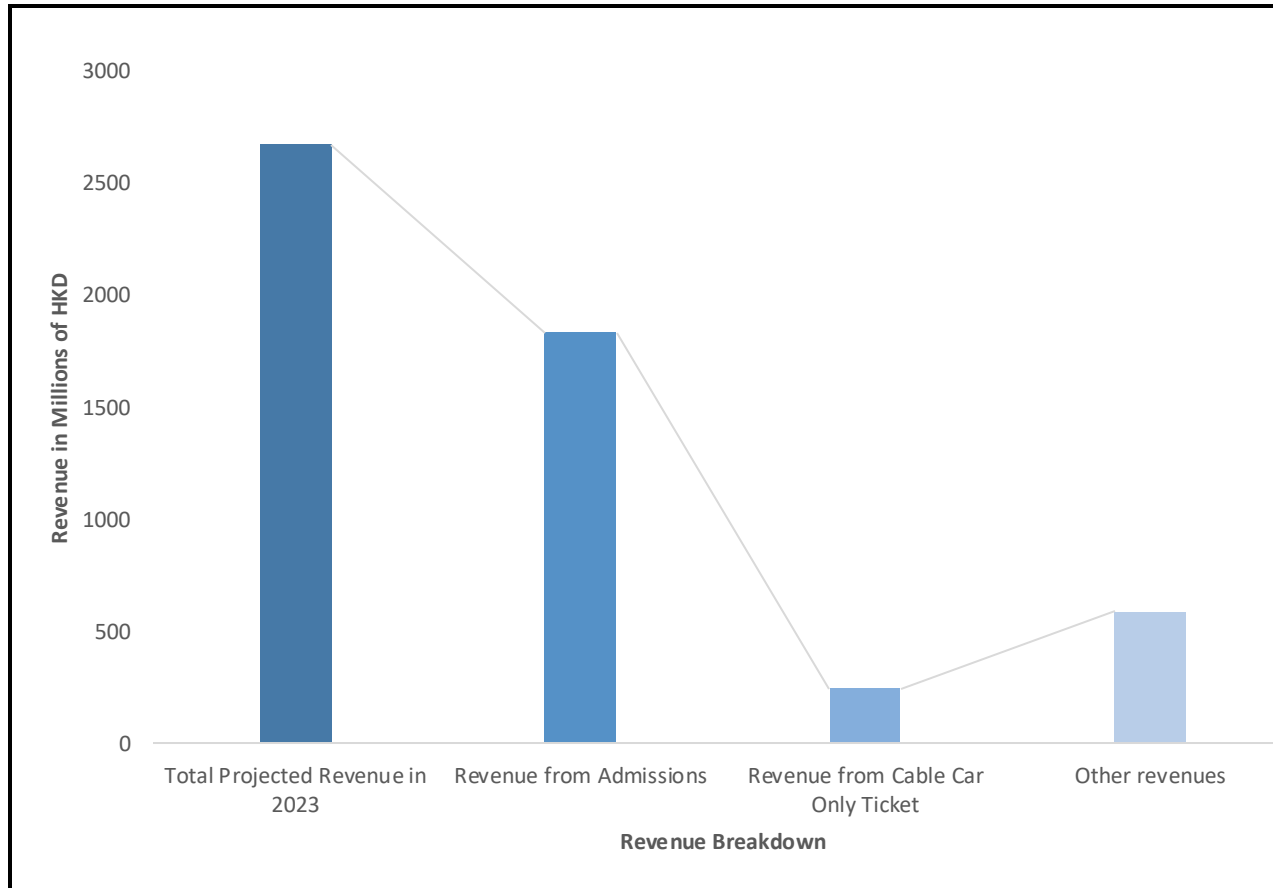


Implementation



Introducing a cable-car only ticket would increase revenue by HK\$ 245.6 million in 2023.

Financials



Situational Analysis

Recommendations

245.6M
from
cable ca
r ticket

HK\$ 200
Cable
car
ticket

HK\$
2670M
Revenue
in 2023

Ticket Category	Price in HKD
Cable Car - Adult	200
Cable Car - Children (3-11) and Seniors (65+)	120
Cable Car - Student	180
General Admission	498
General Admission - Children (3-11)	249

Implementation

Financials

By 2027, the newly-themed OPC strategy would increase customers by 22%.

Financials



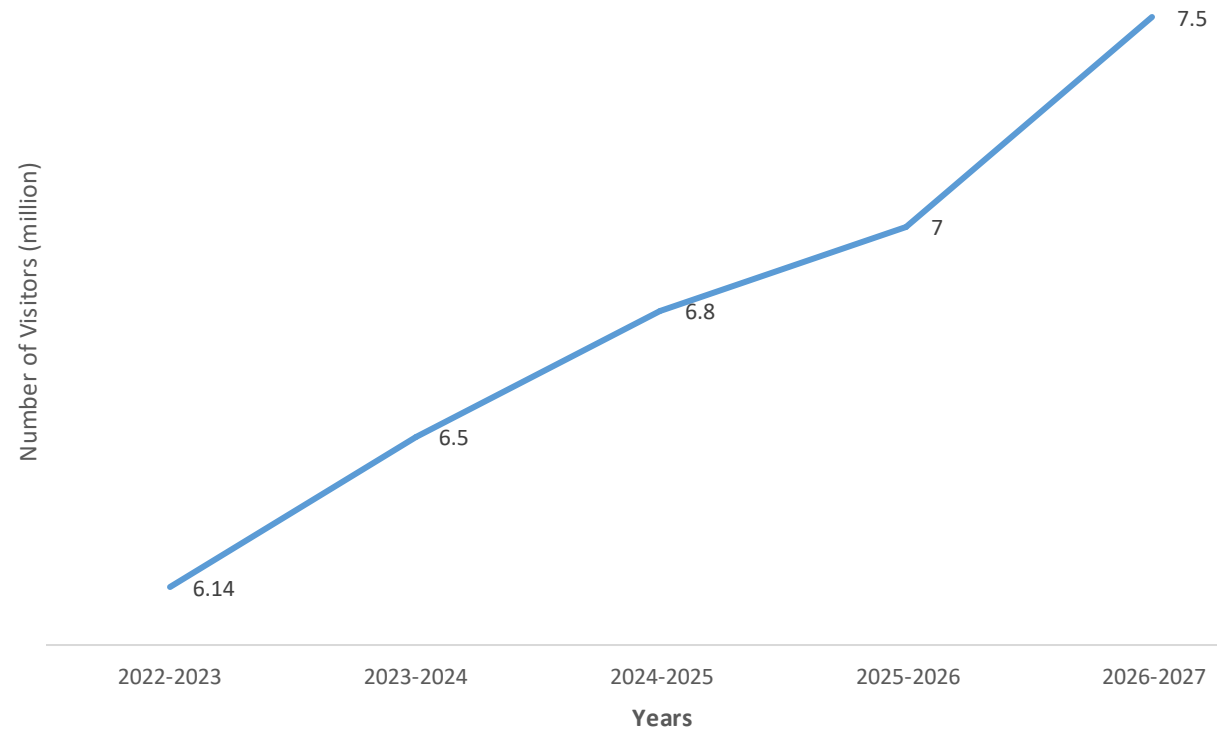
7.5 Million visitors predicted in 2026-2027



22% Increase in Visitors by 2027

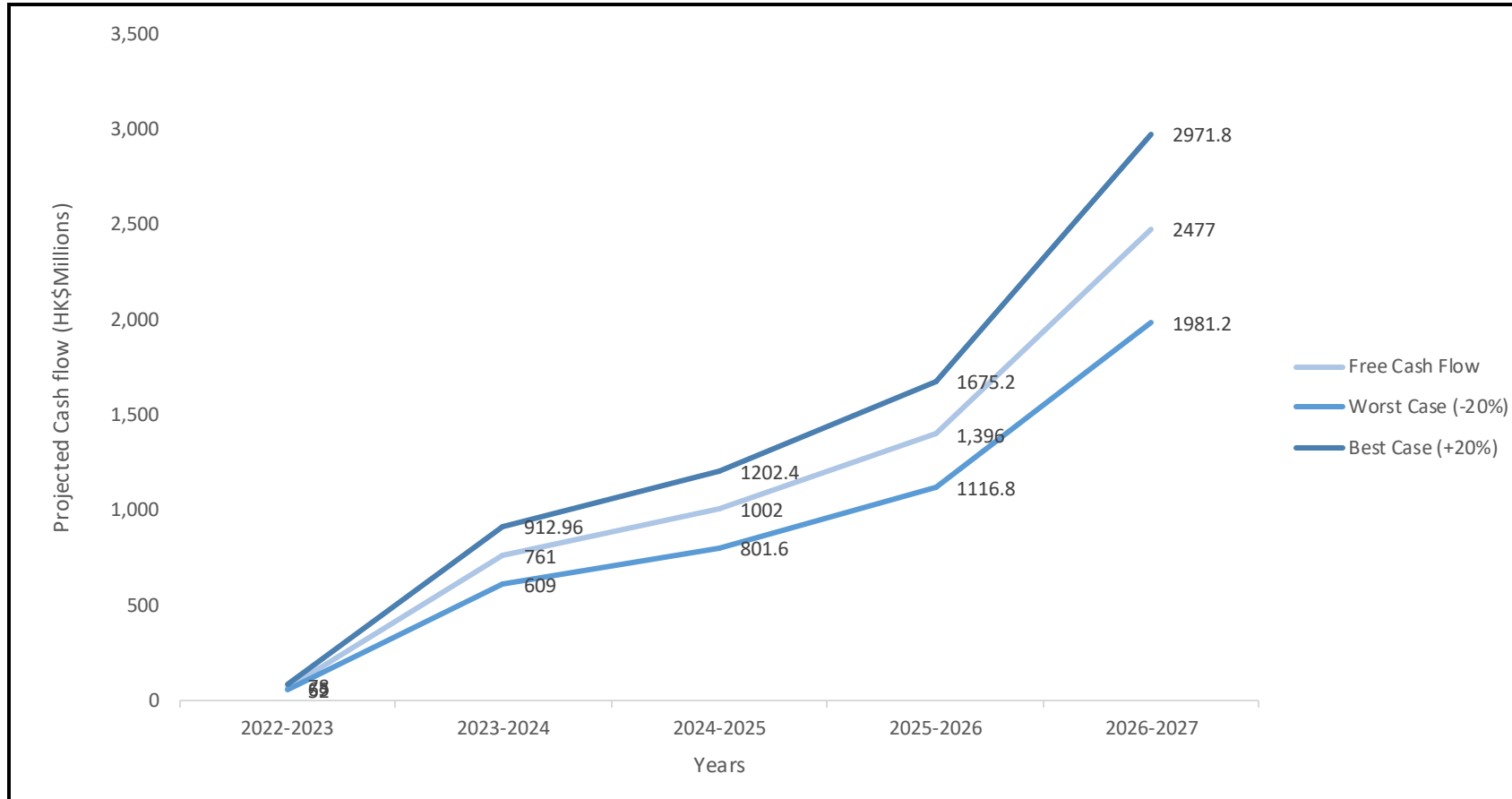
ZONES	Price per zone (HKD)
Polar zone	140
Rainforest	128
Marine	160
Amazing Asian Animals	90

Expected Visitors Over the Next 5 Years



Long-term retheming would add new revenue streams and generate HK \$2477 million cash flow by 2027.

Financials



2477M
Projected
Cash flow
in 2026-27

43%
NPM

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Experience
Something Greater.

Appendix

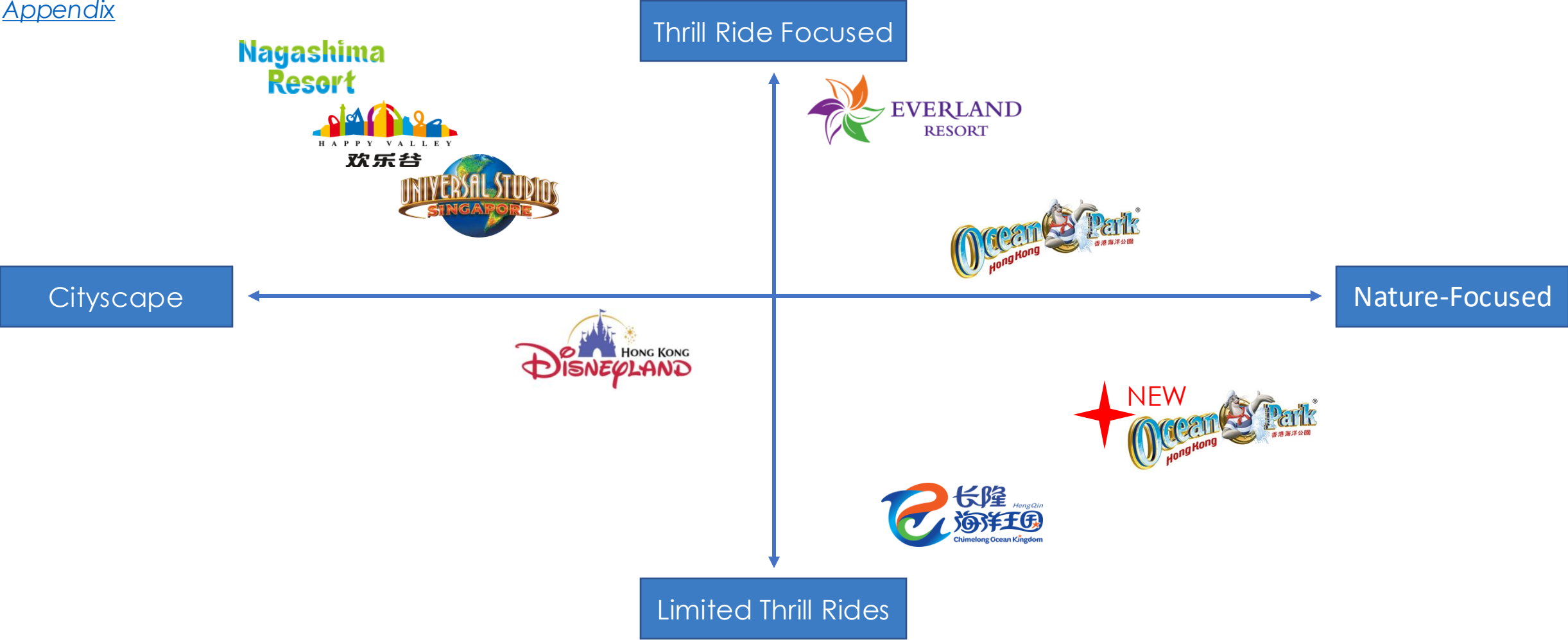


- [Issue Tree](#)
- [Foliage for Theming](#)
- [Survey Logistics](#)
- [Scavenger Hunt](#)
- [Education and Local Flora and Fauna](#)
- [Tropical Zone](#)
- [Situation Analysis Sources](#)
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- [Financials](#)
- [Competitor Analysis](#)

Appendix: Competitor Analysis

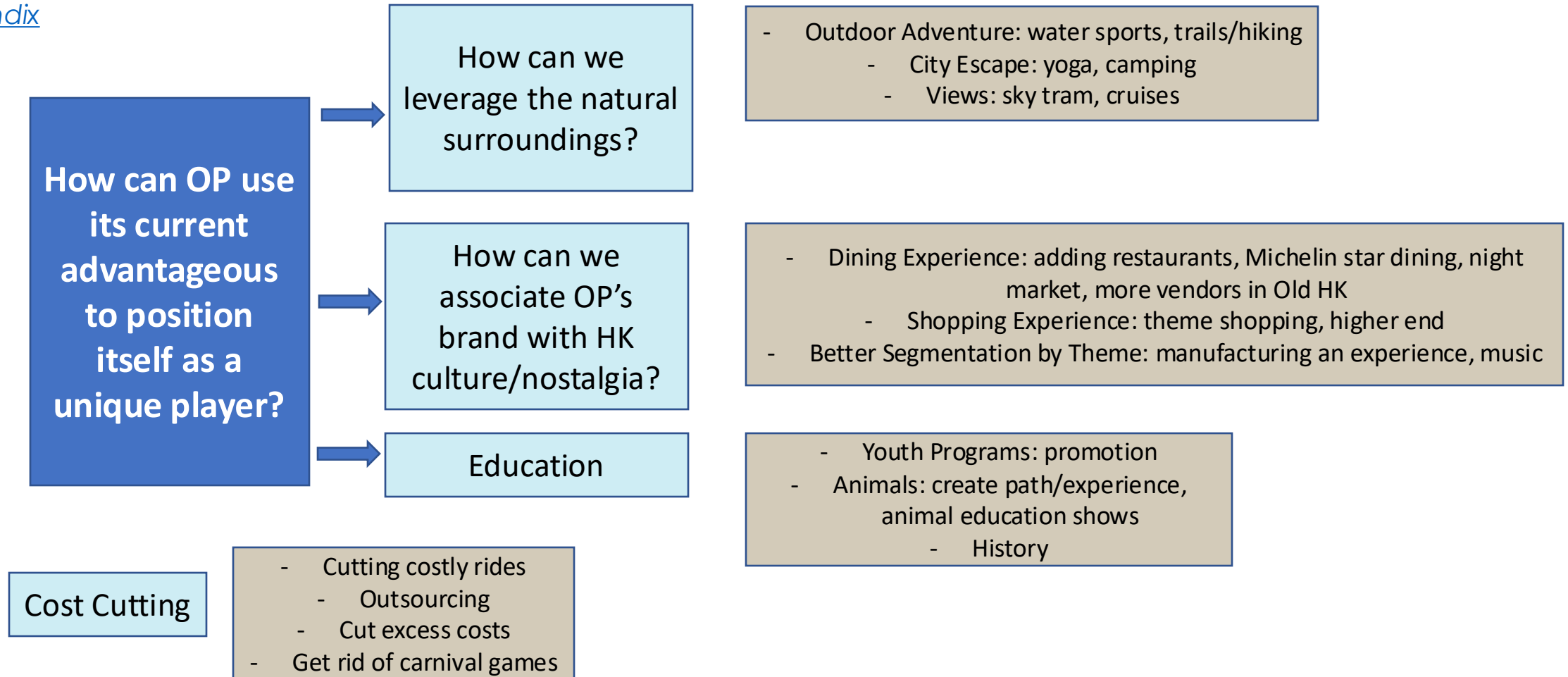


Appendix



Appendix: Issue Tree

Appendix



Appendix: Foliage for Theming

[Appendix](#)

Rainforest



Ipe Tree



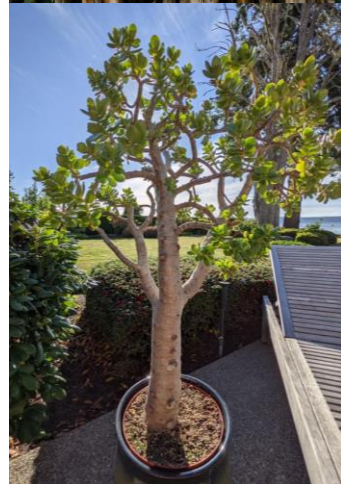
Kapok Tree

Situational Analysis

Old Hong Kong



Shiuying bamboo



Jade Plant

Recommendations

Marine



Echium



Chinese Cypress

Implementation

Polar



Pine Tree



Birch Tree

Financials

Appendix: Survey Logistics

Appendix

- Purpose: determine customer attraction preferences
- Distributed at park exit via QR code.



Select your favorite thrill rides!



☐ Wild Twister



☐ Arctic Blast



☐ Crazy Galleon



☐ Flying Swing

Appendix: Scavenger Hunt




Appendix




Goal:

- Create interactive learning experience for visitors.
- Focus more on animal exhibits rather than thrill rides.

Solution: Scavenger hunt for children based on current animals in residence.



☐ 1. An animal that eats plants
☐ 2. An animal that eats other animals
☐ 3. An animal that is bigger than you
☐ 4. An animal that is smaller than you
☐ 5. An animal with 4 legs
☐ 6. An animal native to Hong Kong
☐ 7. An animal that can sting you
☐ 8. A poisonous amphibian
☐ 9. An animal that can live for over a century
☐ 10. A bird that is a fast swimmer
☐ 11. An animal that can sting you
☐ 12. A marsupial
☐ 13. The smallest type of monkey
☐ 14. An animal that lives in the rainforest
☐ 15. An animal that produces electricity
☐ 16. A reptile that is 6m long
☐ 17. A sea creature with a width of over 5m
☐ 18. An endangered species
☐ 19. A fish that schools
☐ 20. A venomous spider

Appendix: Education on Local Flora & Fauna



Appendix

How: Additional Signage

Where: Animal Area of Old Hong Kong

What information: Fun Facts

- **Native Animals:** pink dolphin, porcupine, wild boar, mongoose, water buffalo, Chinese pangolin, leopard cat
- **Native Plants:** Shiuying bamboo, Hong Kong orchid, Hong Kong azalea



Appendix: Tropical Zone

Appendix

Current Situation: Lacking in interactive experience and attractions.

Solution: Additional Activities

What: Rock Climbing, Ropes Courses, Zipline, Rope Swings, Bungee Jumping, Extended Hike Paths



Appendix: Situation Analysis Sources

Appendix

CORE COMPETENCIES Sources:

Unique Wildlife Attractions --> Wildlife Tourism Market by Future Market Insights
Exclusive landscape & nature --> Penn State, Health and Human Development
In-built reputation --> Journal of Retailing and Consumer Services
Premier Educational Theme Park --> University of Oxford

37% projected increase in local attendance (**1.9M in 21-22, 2.6M in 26-27**)

Non-local attendance to increase from 400k in 22-23 to 900K in 23-24

Legislative Council Panel on Economic Development

Proposed Way Forward of Ocean Park Follow-up to the meeting of 25 January 2021

"For local attendance, based on current projection, **local attendance of OP** (excluding the Water World) will only be **1.9 million in FY 2021-22**. Even though local attendance is envisaged to reach around **2.6 million** in FY 2026-27"

"And non-local attendance is projected to be **400 000 and 900 000 only in FY 2022-23 and FY 2023-24** respectively. In the long run, based on the aforementioned prudent approach in making financial projection for OP"

Appendix: Financials – Projected Revenue

[Appendix](#)

	Revenue	No. Of people
Total Projected Revenue in 2023	2670.2	6.14
Revenue from Admissions	1834.6	3.68
Revenue from Cable Car Only Ticket	245.6	1.228
Other revenues	590	1.228

Key assumptions-
6.14 million people visit the park in 2023 (average of the last 5 years)
20% of 6.14m pay for the cable car
60% of 6.14 buy general admission ticket
Park visitors increase at a steady rate of 10% until the year 2025
After the pay as you go is implemented in long run- the park visitors are expected to increase by

Appendix: Financials

Appendix

Year	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
Revenues		1,900	2670.2	2937.22	3230.942	3554.0362
Operating cost		1,300	1,374	1,400	1,300	1,300
Gross Profit		600	1,296	1,537	1,931	2,254
Selling, General & Admin		535	535	535	535	535
Depreciation		180	180	180	180	180
EBIT		-115	581	822	1,216	1,539
Income Tax (charitable fund)	0	0	0	0	0	0
Incremental Earnings		-115	581	822	1,216	1,539
Year	0	1	2	3	4	5
+ Depreciation		180	180	180	180	180
- Cost of Equipment	-7,393					
- Changes in NWC						
- Changes in NWC		-758				758
Incremental Free Cash Flows		65	761	1,002	1,396	2,477

Appendix: Citations

- "Annual Report." *Ocean Park Hong Kong*, 30 Dec. 2021, <https://www.oceanpark.com.hk/en/corporate-information/annual-report>.
- "Hong Kong Best Theme Park & Attractions." *Ocean Park Hong Kong*, <https://www.oceanpark.com.hk/en>.
- Klongpayabal, Chris. "Zoo Photo Scavenger Hunt - for the Whole Family!" *Journey Homeschool Academy*, 21 Sept. 2022, <https://journeyhomeschoolacademy.com/zoo-photo-scavenger-hunt-for-the-whole-family/>.
- Nason, Stephen. *From Rethinking to Reimagining Ocean Park*. HKUST Thomson Center for Business Case Studies, 2022.
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