TEAM # ** - Marketing Plan

MKTG 649, Spring ‘**
Professor Hussain

Prepared By: ********** **********
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Introduction

Six Flags has had great success over a number of years through providing a one-stop entertainment destination complete with thrilling roller coaster rides and an exciting atmosphere. In recent years, however, Six Flags has been struggling and is now in dire need of a boost to help regain its success in the Theme park industry.

The amusement park industry offers a variety of attractions to a very large and diverse market. With everything from high-flying roller coasters to cartoon and movie character based offerings, theme parks have created a very successful market that has been on the rise for many years. However, like everything else, companies have seen their good times as well as their bad. It seems as though Six Flags may be on the decline in an exhausted market.

Notwithstanding increased attendance on an annual basis, including the sharp decline of their teen market, the amusement park industry has been affected greatly by harsh economic times. Six Flags, Inc. specifically has become the epitome of this trying industry. Despite an increasing attendance rate over the years, Six Flags has seemed to dig itself into a hole that it cannot seem to get out of. Their debt-load has handcuffed them to the verge of bankruptcy. Their inability to increase attendance to the point of improved profitability and debt-reduction has helped lead this company toward potential failure.

The significance of an increased attendance rate in 2008, (up to 25.3 million from 24.9 in 2007) yet still reporting a net loss of $207 million for the fourth quarter of 2008 is very big. This signifies the tremendous amount of trouble Six Flags is currently in as their biggest point of profitability, attendance, has not been enough to dig this company out. This indicates that a drastic change of direction is in need for Six Flags, Inc. Although the numbers are bad for Six Flags, a marketing initiative may help bring this dying company back to life.

Research Methodology

Due to lack of resources and low participant count, we have decided to focus our research on secondary research only. While we do believe it may be beneficial to gather information and suggestions through primary research, there are many resources available through secondary research that will sufficient.

As the theme park industry is large, a vast amount of literature and information is available. Through researching readily available information, we are able to gather both positive and negative options and research from very credible sources. Although the utilization and execution of primary research is ideal and extremely beneficial, particularly for marketing initiatives, its overall implementation is not a simple task. The type of primary research required to make sound marketing decisions, especially for a depressed company like Six Flags, would need to be on a much larger scale than we are capable of handling in such a short period of time.

We focused our secondary research on past and current articles on Six Flags as well as the theme park industry as a whole. Databases and websites were utilized in gathering this information. In addition, we delved into previously conducted research regarding the theme park industry and Six Flags. This further allowed us to gather exactly how Six Flags arrived at its success, and ultimately to its failure over the past few years. This is information that could have been obtained through interviewing Six Flags employees; however, we chose to proceed with the more efficient choice of secondary research.
Situation Analysis

SWOT Analysis

Strengths

Six Flags’ main strength in the present state of the U.S. economy seems to be its “free falling” prices. For instance, everyone who buys a daily ticket online for Six Flags Discovery Kingdom (Vallejo, CA) pays the kids’ price of $29.99. This has directly increased attendance. Next to its attractive prices is Six Flags’ internationally recognized brand name. The name, along with its wide array of entertainment products and experiences, has built enduring equity for 48 years.

To refocus and re-energize its brand, Six Flags CEO Mark Shapiro and his marketing and entertainment teams have worked to make the theme park more family-friendly while still maintaining its signature reputation for record-breaking thrill rides. The parks are cleaner, there is more broad-based entertainment, an enforced code of conduct for guests, and better trained employees who can deliver more quality service. As a result, key satisfaction scores were at or above all time highs for the company.

Six Flags advocates special causes by holding annual walk-a-thons in the park, joining the fight to help cure children’s cancer. They further support the “green movement” by using biodegradable commercial trash bags throughout the company’s 20 locations in the United States, Mexico, and Canada. Location is another strength of Six Flags. The theme park is located in major metropolitan areas making it a probable, convenient drive away from home.

Weaknesses

Although Six Flags is now showing an increase in visitor attendance due to advertisements showcasing low ticket prices and an increased value offering, its number one weakness seems to be leveraging their massive debt load of over $2 billion dollars. It must also pay $300 million dollars to preferred stockholders in which it has no way of paying. The creation of new thrill rides can cost up to $20 million dollars each while consumer spending remains low. This debt will continue to stifle Six Flags’ growth and may lead them to file for Chapter 11 bankruptcy. Since admission is up, the lines for each major attraction will also increase. This may make impatient patrons waiting in the hot summer sun to go elsewhere for entertainment.

Another weakness is the retention rate of teenagers and young adults has continued to lessen because they claim “there’s nothing new for us.” Disappointingly, a major weakness that the theme park is also trying to control is its fatal freak accidents. In June 2008, a 17-year-old was decapitated by the Batman roller coaster when he scaled two six-foot fences and entered a restricted area at Six Flags Over Georgia. The year before, a girl’s feet were cut off when a free-fall thrill ride malfunctioned at the Six Flags Kentucky Kingdom. A cable had snapped and wrapped around the 16-year-old’s feet, severing them at her ankles.

Opportunities

Six Flags is limited in opportunities as they have no cash on hand and an overwhelming debt load. However, to attract back the decreasing retention rate of its young adult market which as a result can leverage the debt, perhaps Six Flags can open a 21 and over nightclub. The club can have different elaborate themes each night, such as a “Batman” or “Terminator” party. A sports bar and restaurant can attract a new demographic of sports fanatics. Guest appearances by sports icons in these restaurants can also drive traffic through the park. Ride simulators in malls, introducing new and upcoming thrill rides, may also convince prospects to try the “real thing” at a
Six Flags can also try to sell some of its land that it owns surrounding its parks to help lessen their debt. It can even hold more events ranging from special causes to entertainment and extend its operational hours to the 21 and over crowd so as to increase ticket sales.

Joining more strategic alliances internationally such as Dubai Holding to build a Six Flags in Dubailand can also prove to be profitable. Most importantly, Six Flags needs to get to the root of the problem and come up with a restructuring agreement that will satisfy both its stockholders and the company. Filing for chapter 11 bankruptcy may inadvertently decrease attendance as visitors may perceive that operations, including safety on rides and the cleanliness of the premises could be affected (although Six Flags confirms that these will not be affected if they do file). Thus, bankruptcy could ruin Six Flags’ image and limit more of their opportunities to expand.

**Threats**

Threats mainly include other major theme park competitors such as Disneyland and Universal Studios and indirect competition with more affordable fun activities such as miniature golfing or watching a movie. Other threats include the current swine flu that has spread rapidly throughout several states in the U.S. from its origin in Mexico. Some families may think twice before going to a theme park with hundreds or thousands of other persons in which any may be infected with the deadly virus. Severe weather conditions can even temporarily close down the park. In 2005, it was necessary for Six Flags New Orleans to close down in preparation for Hurricane Katrina. Katrina’s heavy winds and floods left an estimated $32.5 million worth of damages. The park has since been closed.

**Competitor Analysis**

The major competitor of Six Flags Inc. is the Walt Disney Company. In comparison, the Disney Company focuses on attracting visitors from across the world to visit its parks while Six Flags targets its local demographic and does not seek to advertise internationally. Although Disneyland offers the magical experience that families have grown up to know and love through its flagship characters and movies, Six Flags is seeking to be the alternative getaway in a downward economy.

First off, Six Flags is just a drive away for those who live in close radius to metropolitan areas. At Six Flags Discovery Kingdom (Vallejo, CA), as mentioned earlier, everyone can pay the online daily kid’s price of $29.99. Disneyland and Disney World mainly require a whole vacation package, including airplane flights and a hotel stay. To visit Disneyland’s entire theme park in one day, a patron will have to shell out as much as $94 per day. In 2008, Six Flags even reported a 5 percent increase in revenue with reduced costs from the previous year while Disneyland recently reported an 8.2 percent drop in revenue and increased costs for this year’s first quarter. Universal Studios movie-theme park, known for simulating their top rated movies into rides and other experiences, is another competitor that also requires a vacation package. Its general admission is $67.99 a day. Last year, the park underwent attendance downturns due to construction and visitors holding off on vacations until the new rides were complete.

However, even in a troubling economy families are willing to pay a premium to visit such parks as Disneyland and Universal Studios to go to a place “where dreams come true” and to get the ultimate Hollywood experience as seen through television and movies respectively. These are deemed to be more affordable when comparing it to a family trip to Europe or Asia. Six Flags’ other competition includes the experience of shopping at a mall, going out to the movies, or even staying home and obtaining thrills through Sony Playstation or Nintendo’s Wii. Consumers feel like “getting away” once in a while and if they are restricted to a budget, they may consider the cheaper activity that they can repeat more than once during closer periods of time.
Customer Analysis

Approximately 25 million guests attend Six Flags annually. The park appeals to a broad demographic in which seventy-five percent of its customers live within 100 miles. Its main customer focus is its family unit. Most of its parks are limited to being open during the spring and summer seasons and only on weekends during off-seasons (due to weather factors). In this case, generating revenue from the family unit is crucial while still trying to retain its core audience of teens and young adults who are drawn to extreme rides. Thus, Six Flags is providing a wider product offering to increase its overall visitor attendance.

It is also remaking its image into a wholesome, highly-branded, family-friendly place similar to that of Disney. There are more rides and attractions not only for a young demographic, but also for families. Six Flags has also given these customers more to do and spend money on by bringing in brands such as Johnny Rockets, Papa John’s, Cold Stone Creamery, and Kodak.

The park’s attendance has gradually declined in recent years but started to pick up again in 2008 and is showing great promise this spring season. For instance, Six Flags Discovery Kingdom had its largest attendance since 2003 during their two-week spring break period. The family unit is price sensitive; therefore with daily ticket prices being fairly low along with current low gas prices, Six Flags seems like an affordable trip. The company is projecting 55 percent of its total revenues to come during the months of July and August. More families and higher disposable income families are expected to contribute to these revenues. Also, seventy-five percent of Six Flags consumers claim that their primary reason for attending the park is to spend time with friends and family.

Company Analysis

Six Flags, Inc. is the largest regional theme park company in the world providing a national brand with regional focus. The firm has 20 parks total, 18 of which are in the United States, with the other 2 located in Mexico and Canada. The entertainment destinations in the U.S. comprise theme, water and zoological parks with over 900 rides, including 130 rollercoaster’s. Six Flags, Inc. is headed by CEO Mark Shapiro and is a publicly-traded corporation headquartered in New York City.

The first Six Flags theme park, Six Flags Over Texas, was opened in 1961 by Angus Wynn. The parks name came from the six themed sections, modeled after the culture of the six countries whose flags flew over Texas during the state’s colorful history. Today’s parks offer a complete one-stop diversified entertainment destination for all ages. Thrill rides, restaurants, games, themed areas, children’s areas, parades, concerts, shows and much more are available for the customers’ enjoyment.

Business Model

Six Flags operates as a seasonal business - over 85% of park attendance and revenues are generated between the second and third quarters of the calendar year. Its business model is comprised primarily of making money through ticket sales, in-park food and merchandise sales, and sponsorship revenue.
**Ticket Pricing**

Ticket pricing covers a broad range, with tickets available for a single day park visit to season passes. There are 3 types of tickets available:

- Single day 1 park (general and children admission)
- Single day 2 park pass (general and children admission)
- Season Pass

Single day 2 park passes are for locations that have both a Six Flags theme park and water park located next to each other. Please note that some theme parks have a water park inside of them, but do not require a 2 park pass.


Season Pass prices range from $39.99 - $125. Season Passes may be purchased for single park admission or dual park admission. Season Passes include:

- Unlimited visits
- Free tickets for guests
- Over $300 in park savings
- Access to Rise and Scream early openings and private Season Passholder Day
- Accepted at 15 Six Flags locations including La Ronde, Montreal

Season passes are Six Flags core value offering. Passes cost little more than a day's regular admission ticket price, and provide Six Flags visitors with added benefits and savings.

Six Flags also offers a premium pass – the FLASH Pass – that serves as a ride reservation system. A limited number of FLASH Passes are available each day of operation and are valid the day of purchase only. There are 2 tiers for the FLASH Pass, Regular and Gold, with different stipulations for each.

**Regular FLASH Pass**

- Avoid lines by making a reservation
- Wait as long as everyone else is waiting, but not in line
- Prices: $27.99 for 1 person to $117.99 for 6 people

**Gold FLASH Pass**

- Enjoy discounted wait time of up to 75%
- Prices: $37.99 for 1 person to $177.99 for 6 people

**In-park Merchandise and Food**

Six Flags has various licensing and partnership agreements with other firms. Six Flags has held a licensing agreement with DC Comics and Warner Bros. Consumer Products enabling Six Flags to utilize the rights to the cartoon characters. Six Flags has used the licensing agreement to create character programs including meet and greets, meals, photograph and autograph opportunities.
Six Flags has further utilized the characters' likeness for merchandise sales including toys, souvenir items, apparel, and more. In addition, cartoon themed rides have been constructed after both DC Comic and Warner Bros characters.

Six Flags employs in-park and out-park alliances with restaurants and food manufacturers. Past and current out-of-park alliances have included promotions with Coca Cola, Kraft’s Lunchables product line, and Papa Johns Pizza. In-park alliances have included the implementation of restaurant chains within Six Flags parks. Johnny Rockets, Papa Johns Pizza, and Cold Stone Creamery can be found within the parks, and Tyson chicken has become the official chicken supplier to all parks.

Additional Partnerships

Other promotional alliances have been implemented as well. One such example is the sale and availability of Kodak products in Six Flags parks. Moreover, Six Flags and Nintendo have collaborated by offering free Wii game plays to the Six Flags visitors standing in-line, thus allowing them the opportunity to sample the Nintendo DS games.

Six Flags also promotes its brand through American Express, Chase, Blue Green, Panda Express, and The United States Army. American Express and Six Flags have a promotional offering for park visitors in the form of a VIP tours. Patrons may book their Six Flags VIP Tour Presented by American Express for participating theme parks. Please note that the VIP Tour is for theme parks only and does not include water slides and other waterpark attractions.

Tours are given to groups or families by an experienced tour guide and can be customized. Tours are priced at $299 and include:

- Private guided tour for your family or group
- Front-of-the-line ride privileges
- Preferred parking
- Theme park admission
- Reserved show seating
- Private autograph session with select LOONEY TUNES or The Justice League characters
- Lunch and dinner with reserved seating at restaurants
- Unlimited snacks
- Souvenir ride or character photo
- Expedited access to most rides in the park

American Express cardholders gain an additional offer by receiving 20% off each VIP tour booked when they pay with any American Express card.

Six Flag Parks

California
Six Flags Magic Mountain, Los Angeles – theme park
Six Flags Hurrican Harbor, Los Angeles – water park
Six Flags Discovery Kingdom, Vallejo – theme and animal park
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Georgia
Six Flags Over Georgia, Atlanta – theme park
Six Flags White Water, Atlanta – water park

Illinois
Six Flags Great America and Hurricane Harbor, Chicago – theme and water park

Kentucky
Six Flags Kentucky Kingdom, Lousiville – theme and water park

Maryland
Six Flags America, Baltimore/Washington DC – theme and water park

Massachusetts
Six Flags New England, Springfield – theme and water park

Missouri
Six Flags St. Louis – theme and water park

New Jersey
Six Flags Great Adventure, Jackson – theme park
Six Flags Hurrican Harbor, Jackson – water park
Six Flags Wild Safari, Jackson – animal park

New York
The Great Escape and Splashwater Kingdom, Lake George – theme and water park
Six Flags Great Escape Lodge and Indoor Waterpark, Lake George – lodge and water park

Texas
Six Flags Over Texas, Arlington – theme park
Six Flags Fiesta Texas, San Antonio – theme and water park

Canada
La Ronde, Montreal – theme park

Mexico
Six Flags Mexico, Mexico City – theme park

Six Flags will be opening a third international location in the United Arab Emirates, Dubailand, which will open its doors to customers in 2011.

Marketing Problems and Opportunities

The biggest issue Six Flags faces is its huge debt of over $2 billion dollars. The firm is on the verge of bankruptcy and has been pulled from the NYSE due to their shares falling below the $1 requirement. The firm needs to pay $300 million dollars to preferred stockholders, and lacks the capital to do so.

Another key issue they face is their narrow target market. Six Flags has decreased their focus down to the youth, or teen market with less emphasis placed on appealing to families. This represents a huge loss of potential customers for Six Flags. Furthermore, there is a demand for thrill rides and rollercoaster’s that Six Flags can continue to benefit from. In order to meet both of
these issues head on, Six Flags must not only expand their demographic target, but also their product offerings. Revenue must be generated as quickly as possible through increased traffic to the parks and product diversification.

**Managerial Recommendations**

**Market Focus**

*Marketing Objectives*
The marketing objectives we aim to address, execute and accomplish are to increase revenue through diversification and pricing methodologies, and to increase the target market to include families, teens, and young adults. We seek to create promotional offers that affect price and new product offerings, and to re-position Six Flags theme parks as an entertainment destination that appeals to all ages, and more importantly families. Value communication is extremely important in the current economic situation we are experiencing. Six Flags is a one-stop entertainment destination that offers very low admission prices along with numerous attractions and activities. It is a park that price-sensitive consumers can enjoy and afford.

Six Flags needs to increase its revenue to become viable. These additional revenue streams are to include diversification and promotions.

The largest project to create more revenue is the creation of Boulevard Six. It will create the opportunity to have in review stream all year long, rather than just the summer months. It will have a diverse collection of food and entertainment to please the target markets of families and young adults. This will include well known restaurants and entertainment companies, as well as new and excited ventures.

Next would be the introduction of Motion Simulator rides located in malls around the nation. These would bring in additional revenue as well as bring awareness of Six Flags. At these locations, the rides would be of the most popular attractions from across all the Six Flags. Promotions could also increase traffic to the parks and increase the revenue during these times.

Boulevard Bash is a Saturday night event for those 21 years and older with live entertainment. Six Dollar Sundays would increase visitors to the parks and would bring in more repeat customers. Too Hot to Resist Days would entice people to come to parks on days when it is warm out. They could partake in the water rides to stay cool during these times. And "Free"dom Day would increase traffic to the park, however there would be revenue from ticket sales there would be from parking, food, and Boulevard Six.

*Target Market*
Increased guest spending is a major component of what target markets we are trying to reach. We want to move away from the teen market, which does not spend much if any money in the park beyond admission. The two new target markets Six Flags is going to cater to are families and 21+ young adults.

Six Flags current target market is "mass-market blue-collar, with average income $50,000 per year, and probably split between teens and young adults on the one hand, and families on the
other. These families are not the type that are/were taking international family vacations. These families are "trading from a three-day, four-figure trip to Disney to a one-day, three-figure trip to Six Flags." A trip to Six Flags is not cheap, but it is cheaper than. "A typical Six Flags visitor in 2007 spent $36 for the day, including parking, the price of a ticket, and meals. So, the company says, a day at Six Flags for a family of four costs less than $175."

Young adults are another target market Six Flags is looking into. They are a segment that had more disposable income than teens do, possible even more than families. "Young adults in the U.S. spend 52% of their money on clothing, 22% on food, and 13% on music." With the addition of Boulevard Six, there is the opportunity to bring in more of the young adults, who would normally go to the local mall.

**Differentiation**

Six Flags has a lot going for it right now and with our marketing strategy, it may have the ability to differentiate itself from all the competitors. We aim to focus our differentiation based on the style of entertainment it offers. Six Flags will be a place people can go to have a day of excitement like no other theme park can offer. Without having to spend lots of money, people can have a great deal of fun during the day at an exciting theme park, and at night can cruise the Boulevard (Discussed below). There are obviously many places where one can go and enjoy a day at a theme park, however, they may have to travel a great distance if they desire to cap off the day with a night on the town. Six Flags will differentiate itself by providing both of these sources of entertainment in one location.

**Positioning**

We want Six Flags to be a place like no other in the country. In order to do this, we seek to position Six Flags in two ways. Due to the different offerings from Six Flags we don’t want to position ourselves in just one way. First, we aim to position ourselves as safe, family-friendly, low-cost form of entertainment. This position will be targeted to families and younger guests. We will advertise through day-time television and kid’s programming. Second, we will position ourselves as cool, fun, energetic and young-hearted. This position will be targeted to teens and younger adults (over 21) who would be interested in the Night of Fun as described below. We will hope to utilize different types of social media to target this demographic and project this type of positioning for Six Flags.

**Marketing Programs**

**Product Strategy**

Six Flags has been providing their visitors products through their main channel, theme parks, during their existence. In order for Six Flags to stay competitive, we need to diversify our means of revenue. That will be done with the introduction to two new ventures, Motion Simulators and Boulevard Six.

The motion simulators will be distributed throughout all major metropolitan malls that will be in close proximity to a Six Flags park. Malls are a choice location as they allow us to reach the broad demographics we target – families, teens, and young adults. The rides will have a selection of popular rides from Six Flags 19 parks. After the ride is over, it will “spit out” a 50% off admission coupon good for any Six Flags park, and must be redeemed within one month. This tactic is expected to drive sales up dramatically.
Boulevard Six will be an outdoor shopping district located outside of Six Flags larger parks. Its intention is to help produce revenue all year long, even while the parks are closed for the season. Boulevard Six will have a mix of food, shopping and entertainment for all ages. Restaurants will include California Pizza Kitchen, P.F. Changs, Johnny Rockets and more. Shopping will include Fossil, Gap, Abercrombie and more. Entertainment will come from the Comcast Sports Bar, nightclubs, live concert stages, Lucky Strike Bowling and movie theaters. Boulevard Six will also be the location of Boulevard Bash.

**Pricing Strategy**

Six Flags’ current pricing strategy for their online daily tickets is proving to be successful in terms of attracting more visitor attendance. A great example is Six Flags Discovery Kingdom (Vallejo, CA). As a price bundle, the theme park can also offer online daily tickets with one-day discounted parking at 20 percent to further raise attendance. For its Discovery Kingdom park, visitors will pay $29.99 plus $12 for one-day parking totaling $41.99. If paid separately, parking would cost $15.

For its season pass holders, Six Flags can give an automatic 10 percent on all meals and merchandise simply by presenting their season passes at point-of-sale. Vouchers and coupons do not need to be redeemed for the sake of customers’ convenience. In addition to perks such as free tickets for your friends on select days, and free special events, season pass holders who are 21 and over will also pay a discounted price of $15 to get into Six Flags’ exclusive nightclub in Boulevard Six (mentioned under “Promotion”). Season parking passes also purchased online can be reduced by 20 percent and bundled with their appropriate season passes to increase the affordability and convenience of visiting Six Flags respectively.

The V.I.P. tour requires a 4-person minimum and can cost up to $299 per person. This may seem like an extravagant and an unnecessary option. However, American Express cardholders with more discretionary income can enjoy this option at a 20 percent discount. To appeal towards more price-sensitive families who still want to get the ultimate V.I.P. experience, online specials should include a 20 percent discount on select days regardless of what credit card is being used.

Extended hours for special events can also deliver an extra added value to 21 and over patrons who are willing to pay a 25 percent increase on top of regular one-day admission. Being open until 12 midnight for such events would grant exclusivity to a smaller crowd with less falling in line. Another feature would be to have hard liquor and beer priced at a premium to further maximize profits. Ride simulators (mentioned in opportunities under “SWOT analysis”) will cost the consumer $9 for a four-minute edge-of-your-seat excursion! (These will be located in all major metropolitan malls that will be in close proximity to a Six Flags park.) After the ride is over, it will “spit out” a 50% off admission coupon good for any Six Flags park, and must be redeemed within one month. This tactic is expected to drive sales up dramatically.

**Promotion**

In order for our marketing efforts to be successful, we need to attract customers to the previously discussed new park and activities. This is where the use of promotions will come into play. With exciting new attractions offered by Six Flags, we will need to engage more people through various type of promotions. We suggest by starting with sales promotions.

The first sales promotion will be a yearly engagement, every Fourth of July where all guests get in for free. We will call this promotion “FREEdom Day”. By incorporating the Independence Day
theme, every Six Flags park will be the most enjoyable place to be on the Fourth of July. This will be a day where families can come to experience the rides and attractions, all themed accordingly, and can end the day with a 45 minute long firework display coordinated to a series of popular current music hits. We want this promotion to help Six Flags become the leading place to be during the Fourth of July.

Due to capacity constraints in each of the parks, attendance will be limited to the maximum capacity the park can handle. We will let more people in as others leave, and while everyone waits, we will have activities and entertainment out in the waiting area. Even though the guests are not in the park yet, they should still be able to have an enjoyable time while they wait.

Since one of our main goals is to improve loyalty among our guests, we also want to have promotions on a more frequent level. One of these frequent promotions will be Six Dollar Sundays. We will offer admission to all Six-Flags for only $6 every Sunday.

Another frequent promotion will be called Fun in the Sun. Anytime the temperature hits above a certain temperature (depending on the location of the park) admission will be half-price. This will help entice the people that are reluctant to come to the park if it is too hot outside.

This next promotion will give free admission to people on their Birthday. We will call this our Birthday Club and promote keep records of every person’s Birthday so every year we can send them reminders to entice them to come back.

Our final promotion will be called Boulevard Bash. This will be for the 21 and older crowd and will be priced at $25 per person. We will block off our Boulevard Six (described below) and admit only persons of age. We will provide alcohol and bring in musical talent to perform every Saturday night.

**Distribution**

The main channel of distribution will continue to be Six Flags parks. The majority of our marketing plan is focused around promotional and pricing methodologies, with the promos taking place in Six Flags. Through the price promos we execute, we anticipate an increase in sales of in-park merchandise as consumers will have more disposable income due to their savings on park admission.

There will be one other channel of distribution, however, for the thrill Motion Ride simulators. The ride simulators will be distributed throughout all major metropolitan malls that will be in close proximity to a Six Flags park. Malls are a choice location as they allow us to reach the broad demographics we target – families, teens, and young adults.

**Implementation and Control**

**Financial Data**

Six Flags is in financial distress, which might lead Six Flags to file chapter-eleven for bankruptcy. Furthermore, in October of 2008, the New York Stock Exchange penalized Six Flags since its stockholder equity had fallen below $75-million, and the stock price had fallen below one-dollar violating the New York Stock Exchange standards. If Six Flags does not increase its stock price
and market capitalization, it risks being removed from the NYSE. Six Flags will not be able to continue operating without finding a plan to restructure the debt. Six Flags lost $113 million in 2008, which is compared to $253 million in 2007. However, the most recent forth quarter its reported loss is $201 million, which is compared to 2007 forth quarter $127 million.

Financial Projection
The projections for Six Flags are concerning. First, by August 15th of 2009, Six Flags must pay $287.5 million in Preferred Income Equity Redeemable Shares to the shareholders. However, if Six Flags failed, the amount would reach in excess of $318 million. Second, the financial situation is very critical further complicating Six Flags ability to continue operating. Due to major banks being in financial trouble, there is no access to adequate capital resources and lending procedures are more stringent. In order to obtain capital, our group is projecting the possibility of Busch Entertainment Corporation, a competing theme park operator in the United States, to acquire Six Flags. Busch Entertainment Corporation is a subsidiary of Anheuser- Busch. Busch Entertainment Corporation operates nine-theme parks across the nation including the Sea World and Busch Garden Parks. The company’s financial performance has been generating revenue of $1.3 Billion and a positive earned income on the revenue. Therefore, by reaching such a deal, Six Flags can have access to capital to meet the financial obligations and payoff the creditors. On the other hand, it will diversify its risk portfolio, and the advantages to share assets of both Six Flags and Busch Entertainment Corporation.

Financial Control
Six Flags CEO has been proactive in restructuring the Six Flags itself, and not only the debt. For instance, by making some major changes, Six Flags can survive these crucial economic circumstances. Therefore, CEO Mark Shapiro has used his private equity firm, Red Zone Capital, for purchasing the restaurant chain Johnny Rockets in order to integrate the chain into all parks. In addition, Red Zone Capital bought Dick Clark Productions, television home of the Golden Globe Awards, and the Academy of Country Music Awards. This was done with the intention of featuring celebrity and music events in the parks to generate revenue and stimulate and increase foot traffic.

Financial control over the Six Flags situation is still valid, by both restructuring the debt, and the theme parks. In addition, to potential of gaining access to some financial resources from a possible merger or consolidation with the Busch Entertainment Corporation is valid as the firms have similar revenue models and Busch has experienced more successful financial performance than Six Flags.

Conclusion
Six Flags financial situation is extremely dire and the firm is currently floundering to stay afloat. We believe that with our Marketing Plan, we may enable them to greatly increase foot traffic and sales revenue. The pricing promotions will bring people to the park and cause them to spend the money they save on ticket sales, on in-park food or merchandise. The promotions for young adults featuring 21+ nights will provide a great source of income through food and alcoholic beverage sales. The Boulevard will further create a diversified source of revenue.

The re-positioning of Six Flags as a fun, low-cost entertainment destination for the family will further increase their target market and communicate value to price-sensitive consumers. Six Flags is an enjoyable theme park where all of your family entertaining needs may be met.

We anticipate an increase in Six Flags performance through the execution of our Marketing Plan.


3 ibid


5 ibid


8 ibid

9 ibid


11 ibid

12 ibid


16 ibid

17 ibid


Appendix: Detailed Project Outline

College of Business, San Francisco State University
Team: **, ***** ****, **** ****, **** ****, ***** ****, and **** ****
MKTG 649: Marketing Management, Spring 20**
Instructor: Mahmood Hussain, PhD, Associate Professor of Marketing
Group Project: Marketing Plan

**Project Title: Develop Strategies to Increase Visitor Attendance at Six Flags’ Amusement Parks**

**Introduction**
The amusement park industry offers a variety of attractions to a very large and diverse market. With everything from high-flying roller coasters to cartoon and movie character based offerings, theme parks have created a very successful market that has been on the rise for many years. However, like everything else, companies have seen their good times as well as their bad. It seems as though Six Flags may be on the decline in an exhausted market.

Notwithstanding increased attendance on an annual basis, including the sharp decline of their teen market, the amusement park industry has been affected greatly by harsh economic times. Specifically, Six Flags, Inc. has become the epitome of this trying industry. Despite an increasing attendance rate over the years, Six Flags has seemed to dig itself into a hole that it cannot seem to get out of. Their debt-load has handcuffed them to the verge of bankruptcy. Their inability to increase attendance to the point of improved profitability and debt-reduction has helped lead this company toward potential failure.

The significance of an increased attendance rate in 2008, (up to 25.3 million from 24.9 in 2007) yet still reporting a net loss of $207 million for the fourth quarter of 2008 is very big (abc2news.com, 2009). This signifies the tremendous amount of trouble Six Flags is currently in as their biggest point of profitability, attendance, has not been enough to dig this company out. This indicates that a drastic change of direction is in need for Six Flags, Inc.

**Research Objectives**
The objective of this project is to develop a marketing plan that will help Six Flags regain its strength in the amusement park industry. Six Flags needs to reposition itself not only to dramatically increase their attendance rate, but also allow for cheaper prices and not depend on expensive, debt-increasing roller coasters as their main source of attraction.

We hope to gather information that will help determine what the best direction is for Six Flags and how a new marketing initiative could help increase attendance, sales and also reduce dependencies on attractions that will potentially increase Six Flags’ cost and debt.

The international market for theme parks is very promising and could pose a new direction, not only for Six Flags but many other theme parks as well. While the wide array of entertainment and attractions have carried Six Flags through many decades, markets rise and fall within every industry. Six Flags needs to identify the potential in rising markets. This is why we will be focusing our marketing plan not only on increased attendance in the U.S., but also on how Six Flags can take advantage of developing markets in order to gain significant market share through first-mover advantage.

**Research Methodology**
The research we will conduct will consist primarily of secondary research, and we are considering the option of performing primary research with the implementation of a short survey. The secondary research will focus on not only the firm Six Flags, but the entertainment industry as well as other existing competitors. Market conditions and trends will also be analyzed. Research will be derived from articles, published works, and statistical data.
The survey under consideration would be both quantitative and qualitative, utilizing questions measured with the likert scale for quantitative purposes and open-ended questions for qualitative. As the decline in attendance of the teen market is a greatly contributing factor to Six Flags’ overall drop in attendance, the survey would be directed towards youth aged 14-18 years. We would seek a potential sample size of 50 participants. This sample would be contacted at high schools and randomly chosen to participate. Each survey would be kept anonymous. In addition, we may offer an incentive for each participant such as putting them in a drawing to win one free admission to Six Flags. However, as targeting and persuading this age group to complete surveys is extremely difficult, we may move forward with the use of secondary research solely.

A very short, (but to the point) introduction on each survey can be as follows:

Hello,

We are a group of marketing students at the College of Business, San Francisco State University. Your input will be very helpful for us to conduct our research project on Six Flags theme parks. Please take a few minutes to answer the following questions.

Research Tasks and Timeline

Table 1 below describes the tasks (work in progress) and timeline for the project.

Table 1: Timeline Activities for the Six Flags Project

<table>
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<th>Timeline</th>
<th>Activities</th>
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| Phase 1: The starting point (Feb. 28-Apr. 6, 2009) | • Research existing literature on Six Flags’ theme parks.  
• Compose a list of research questions to be answered during the research process.  
• Identify Six Flags’ key problems and formulate objectives for a comprehensive marketing plan.  
• Perform secondary data research in order to gain a better perspective about Six Flags’ problem(s). Resources will include newspapers, magazines, and internet websites.  
• Compile a database of all existing Six Flags’ locations. Identify other competing theme parks for additional research.  
• Organize a list of at least 20 credible resources, including reliable websites. |
| Phase 2: Combining the findings & results (Apr. 7-20, 2009) | • Analyze all data gathered.  
• Support findings with primary research by conducting survey studies in order to have more complete and accurate data.  
• Distribute 50 surveys to Six Flags’ target market(s).  
• Tally all survey results into a database.  
• Communicate all data gathered from primary and secondary research and get approval from each member in the team.  
• Combine the findings to get the final output in a logical manner. |
| Phase 3: The Final Project (Apr. 21-May 5, 2009) | • Prepare the Six Flag’s marketing plan report which will include a final set of recommendations.  
• Design and implement a professional group presentation based on the marketing plan report.  
• Rehearse group presentation. |
Research Questions
1. How can Six Flags increase their attendance overall?

2. How can Six Flags increase sales per visitor?
3. How can the company leverage their debt of over $2 billion without filing for Chapter 11 bankruptcy?
4. Who are Six Flags’ target markets?
5. How can they reposition themselves to the new version of the teen market?
6. How can they increase their value offering while keeping prices low for their customers in an economic recession?
7. What is Six Flags’ revenue model; what is their source of income?
8. What is the history of the company; the core ideas, ownership, growth and development?
9. Some Data:
   a. Number of parks; national and international
   b. Portion of parks dedicated to families, to teens, to adults
   c. Allocation of human resources into different activities (development, finance, accounting, marketing, management etc.).
10. What is Six Flags’ positioning?
11. Activities, events, and special attractions organized for visitors
12. Qualitative description of the typical visitor to determine preferences
13. Competitors and their strategies for increasing attendance
14. Recommendations to strengthen the teen market and to increase attendance overall. (List internal changes that are made or required to entice teens.)

Outline of the Marketing Plan (Final Paper)
I. Introduction
II. Literature Review
III. Business Model of Six Flags
IV. Empirical Analysis: Research Methodology
   a. Advantages and disadvantages of primary and secondary research
   b. Target sample (who, how many, and how they were chosen)
   c. Procedure (describe the process of conducting surveys; process of answering research questions)
V. Empirical Analysis: Findings
   a. Situation Analysis (based on primary and secondary research)
      i. SWOT analysis
      ii. Competitor analysis
      iii. Customer analysis
      iv. Company analysis
VI. Identification of Problems/Opportunities
VII. Managerial Implications and Recommendations
   a. Market Focus
      i. Marketing objectives
      ii. Target market(s)
      iii. Differentiation
      iv. Positioning
   b. Marketing Programs (the 4Ps of the marketing mix)
      i. Product strategy
      ii. Pricing strategy
      iii. Promotion strategy
      iv. Place (distribution) strategy
VIII. Implementation (financial data & projections) and Control
IX. Conclusion