

SeaWorld Still Looks to Make a Splash Without Orca Shows

PARKS: New Attractions Aimed at Teens, Competition
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Among several upcoming new attractions at SeaWorld San Diego is Electric Eel, a high-speed looping roller coaster slated to open in summer 2018. Rendering courtesy of SeaWorld San Diego

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San Diego — With its iconic performing whale shows now history, the parent of SeaWorld San Diego is investing heavily in new attractions to widen the theme park’s appeal and reverse setbacks in attendance and public relations.

In recent interviews, local and national executives of SeaWorld Entertainment Inc. said a high-speed, looping roller coaster called Electric Eel, set to open in summer 2018 at the Mission Bay venue, is emblematic of the company’s efforts to attract a broader array of visitors, while standing by the educational and conservation goals of its marine parks.

“This is SeaWorld putting its attractions where its mouth is,” said Brian Morrow, the company’s Florida-based vice president of theme park experience and design. “We are doing what we said two years ago that we were going to do.”

The company’s recent moves have included discontinuing the performance shows featuring prominent orca mascot Shamu — the last one was scheduled to take place on Jan. 8 — which had been a staple at the San Diego park since its 1964 opening and were later featured at SeaWorld venues in Orlando and San Antonio, Texas.

SeaWorld has also discontinued captive whale breeding at the San Diego venue, though whales will be featured in a previously announced new education-oriented habitat called Orca Encounter, set to open this summer along with the expedition-themed Ocean Explorer attraction and a night-time entertainment feature called Electric Ocean.

SeaWorld Entertainment does not divulge project costs or other financials for its 12 individual U.S. parks, but officials have said the \$175 million in new SeaWorld attractions planned nationwide in 2017 alone will mark one of the largest one-year capital-spending tallies in the company’s five-decade history.

Competition for Visitors

Much of this involves the company's strategy to win back consumers after fallout from the 2013 documentary "Blackfish," which raised questions about the treatment of captive killer whales. But there are also other significant business factors at play.

SeaWorld's competitors in its two most lucrative markets of Southern California and South Florida — led by Disney and Universal Studios — have recently added hundreds of millions of dollars' worth of new attractions. Even Legoland California Resort in Carlsbad, owned by U.K.-based Merlin Entertainments, has increased its visitor counts — especially among families with younger children — by adding several popular new attractions and is now in planning on its second on-site hotel.

SeaWorld San Diego's strategy for growth includes pages from the Disney and Legoland playbooks. SeaWorld is currently in design planning stages with San Diego's Evans Hotels for a new on-site resort, aimed at making the Mission Bay park more of a destination venue. SeaWorld officials said timetables and other details are not ready to be announced.

A spokeswoman for Evans Hotels said planning is proceeding, but the company had no new information to report beyond the November 2015 announcement of the signing of a letter of intent between the hotel company and theme park operator to explore development possibilities. Evans Hotels currently operates Bahia Resort Hotel and Catamaran Resort Hotel & Spa, both on Mission Bay, as well as The Lodge at Torrey Pines in La Jolla.

Destination Venue

SeaWorld San Diego Park President Marilyn Hannes, who previously served on boards of entities including San Diego Convention Center and San Diego Tourism Authority, said making SeaWorld more of a destination venue was among several priorities identified about two years ago by local tourism officials in a 20-year strategy plan for the region.

At 900 feet long and 150 feet high, Electric Eel will be SeaWorld San Diego's third coaster attraction, but the aim now is to ratchet up the thrill quotient while encouraging repeat visits to the park by consumers of all ages.

"It's important to have things that appeal more to teenagers and young adults," Hannes said.

SeaWorld officials said education and conservation priorities will be maintained. Electric Eel is modeled on a popular coaster at the company's Busch Gardens park in Virginia, though Morrow said it has been reconfigured to match up with SeaWorld San Diego's marine themes.

Similar to the park's current Manta coaster, which is adjacent to a habitat and viewing area featuring live manta rays, he said Electric Eel will be adjacent to an upcoming new habitat with live moray eels, as part of the adjacent education-oriented, media-enhanced Ocean Explorer attraction.

The Numbers

Company officials are bullish on future growth prospects for SeaWorld San Diego, which is among the local region's largest employers. The theme park employed 4,190 full-and part-time workers as of July 2016, down 3 percent from the prior year, though it recently announced the layoff of 60 employees as part of 320 nationwide job cuts announced by its parent company.

In filings with the city, SeaWorld San Diego reported 2015 attendance of just over 3.6 million, down 4 percent from 2014. According to a 2016 report from the Themed Entertainment Association and consulting firm

AECOM, the Mission Bay venue placed 14th among North American theme parks for attendance in 2015, but was the only venue among the top 20 to see attendance drop for that year.

For its third quarter ending Sept. 30, SeaWorld Entertainment in November reported total U.S. revenue of \$485.3 million, down 2 percent from the year-ago quarter; and net income of \$65.7 million, down from \$98 million a year earlier. Nationwide attendance for the first nine months of 2016 was just over 17.6 million, a decline of 2.4 percent from the same period of 2015.

Getting the Goodwill Back

Local business observers said SeaWorld Entertainment as a company still has significant public-relations and competitive challenges to overcome, though its leaders now appear to be taking the right corrective measures.

Wendy Patrick, a business ethics lecturer at San Diego State University, said “Blackfish backlash” will likely linger for months to come. But the San Diego park has nostalgia and long community ties in its favor going forward, and the company’s phasing-out of orca performance and breeding programs has helped restore some of its lost goodwill with the public.

“With the addition of new rides as well as other attractions, it may very well be embarking on the road to financial recovery,” Patrick said. She added that repairing its reputation will be especially important to the company as it seeks to recruit corporate executives and other workers in the long run.