

**Alton Tower's
Smiler Crash, June
2015**
Crisis Management

Situation Analysis

Alton Towers is the UK's biggest theme park resort. Originally a private estate located in Stoke-on-Trent, the grounds were adapted into a theme park in the 1980s and have since developed several water rides, a spa, a mini golf course, resort facilities, conference rooms, a high ropes course, as well as several more roller coasters and attractions. After Legoland Windsor, Alton Towers is the second most visited theme park in the UK, both of which are owned by parent company, Merlin Entertainment.

Merlin Entertainment prides itself on being "the most exciting leisure company in the world"¹, a philosophy that no doubt factored into the design process behind The Smiler. Opened in 2013, the ride features a world-record breaking fourteen inversions. On June 2nd, 2015, a cart containing sixteen riders collided with another, seriously injuring five riders with two requiring leg amputations. The accident was found to have been a result of human error²; a fifth cart was sent on to the tracks to examine faults that had occurred earlier in the day, however, was not acknowledged by the engineers. When the ride system employed an emergency stop due to two carts being too close, the engineer overrode it as he thought it was incorrect. Time pressures and bonuses for minimal downtime were thought to be an influence in the lack of checks.

Whilst Alton Towers' CEO, Nick Varney, was swift in his response, his lack of transparency allowed the media to speculate and fuel rumours behind the crash³. In

¹ "Company | Merlin Entertainments", *Merlinentertainments.Biz*, 2019

<<https://www.merlinentertainments.biz/company>> [Accessed 14 March 2019].

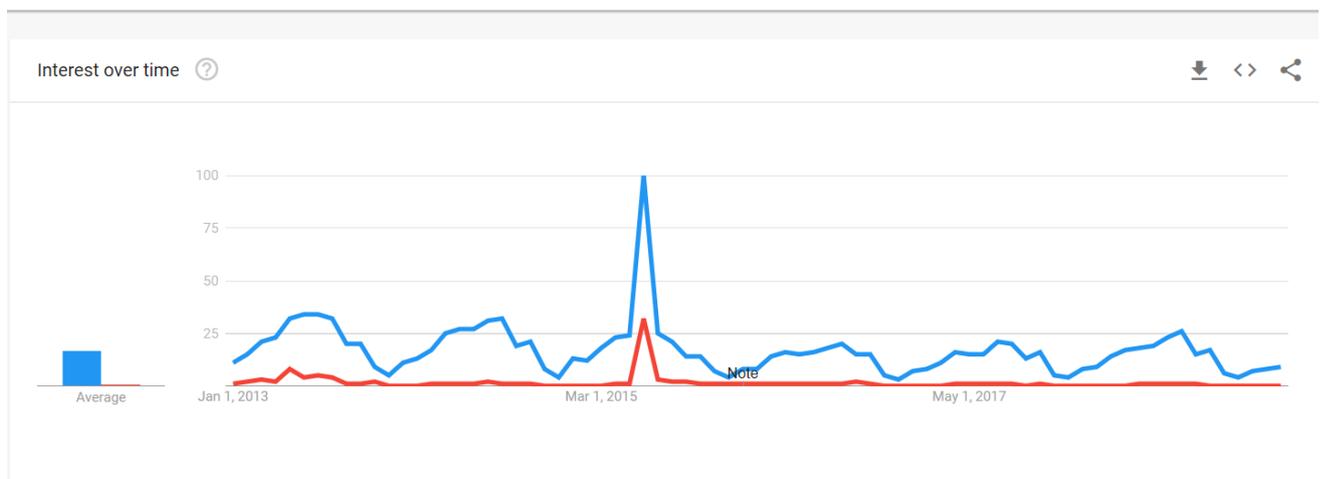
² Anthony Bond and Richard Wheatstone, "The Four Human Errors That Contributed To The Smiler Rollercoaster Crash", *Mirror*, 2019 <<https://www.mirror.co.uk/news/uk-news/alton-towers-smiler-rollercoaster-crash-8915166>> [Accessed 14 March 2019].

³ Nick Varney, "Merlin CEO Nick Varney Fronts Response To Alton Towers Crash", *PR Week*, 2019

<<http://www.attractionsmanagement.com/index.cfm?pagetype=features&codeID=30089>> [Accessed 16 March 2019].

addition, the ongoing health implications of the victims and the ensuing court cases prolonged the notoriety of the incident, as evidenced by Figure 1.1

Figure 1.1: Graph to show the popularity of Alton Towers (blue) and The Smiler (red) since the roller coaster opened (Google Trends)

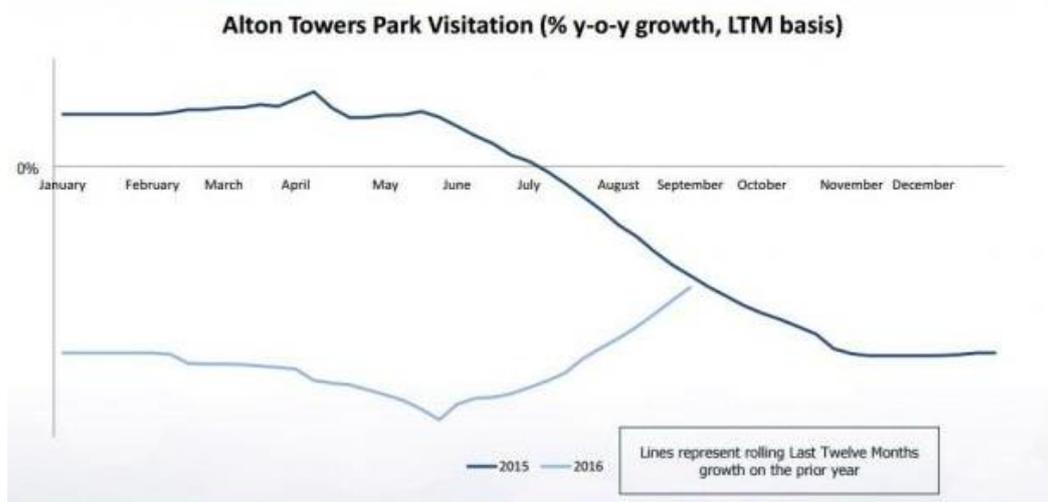


The usually cyclical nature of Google searches for both Alton Towers and The Smiler is interrupted by a spike in popularity in June 2015. Whilst increases are usually reminiscent of peak business season, estimates from the Themed Entertainment Association put Alton Towers Annual Attendance rates at their lowest since records began, with numbers yet to return to what they were before the crash. The decline of Merlin Entertainment's stocks (Figure 1.2) and Alton Tower's trading graph (Figure 1.3) demonstrate this publicity had a significant negative impact.

Figure 1.2: Market summary of Merlin Entertainment PLC since the opening of The Smiler. June 5th, 2015 (Google Finance)



Figure 1.3: Graph to show number of park visitations a year after The Smiler crash⁴



⁴ "Merlin Trading Update Shows Stark Impact Of Alton Towers Smiler Crash", *Bournemouth Echo*, 2019 <<https://www.bournemouthecho.co.uk/news/14772294.merlin-trading-update-shows-stark-impact-of-alton-towers-smiler-crash/>> [Accessed 16 March 2019].

SWOT and PESTLE Analysis

One reason the crisis has been reported at such a magnitude is due to the rarity of these incidents. British theme parks have a generally good reputation for Health & Safety, with Alton Towers having few incidents in the thirty years prior to the crash. Incidents like these can also have an inverse effect, whereby thrill seekers are more attracted by the risk. Subsequently, it is unlikely Alton Tower's declining numbers are due to The Smiler crash alone. Tensions in British politics and economy such as Brexit and terrorism are also affecting trade and tourism, as was the case with Merlin Entertainment's other attractions such as Legoland and Madame Tussauds.

Merlin's collective ownership of these businesses has assisted Alton Towers during both a crisis and a recession, not only providing interchangeable sources of income during downtime, but also retaining a respectable reputation. Merlin Entertainment's other companies are not the only brands Alton Towers has a connection with; with many of the rides and attractions taking inspiration from movies, TV series and celebrities, part of Alton Tower's popularity comes from its ability to give customers a taste of on-screen action.

In light of the pressures that lead to human error in The Smiler accident, Alton Towers' corporate social responsibility has gone unreported despite being a considerable priority. Their 'Towers Loving Care' scheme ensures the park is regularly monitored, with historical elements being maintained, attractions being updated and environmental impact minimised. A critical success factor is their accessibility, allowing not just those with disabilities to enjoy the park, but those without their own means of transports. This ease of access is only inhibited by a social climate of caution following terror attacks and the British weather, with Alton Towers only being fully open from March to November.

Following The Smiler incident, the current attitude toward Alton Towers is one of fear as opposed to thrill. The prioritising of profits over safety has been further exacerbated by the impacts of terrorism and Brexit on travel; people are either too nervous or cannot afford to do so. The subsequent behaviour is people are hesitant to take advantage of Alton Tower's accessibility, and are planning considerably further ahead, allowing little to no room for days out at theme parks or attractions. With most of these incidents also occurring during the open season, Alton Towers has not seen the potential numbers it could have since before The Smiler crash. The attitude needs to be shifted to one not only of safety, but longevity. Customers need to feel their experience at Alton Towers was exciting, safe and long-lasting. Sustained activity now will ensure the gradual gain of trust and loyalty from customers, culminating in an increase in sales throughout every season.

Figure 2: Table to show PESTLE Analysis of Alton Towers, with further colour-coded SWOT analysis

Strengths	Weaknesses	Opportunities	Threats
Political	Economic	Social	
<ul style="list-style-type: none"> Brexit's effect on Alton Tower's international employees e.g. German roller coaster designers 	<ul style="list-style-type: none"> Multiple pricing strategies that invite higher numbers with little detriment to bottom line 	<ul style="list-style-type: none"> Average age of residents is 42. Potentially high numbers of parents 	
<ul style="list-style-type: none"> Increase in terrorism makes people fear what major sites are at risk 	<ul style="list-style-type: none"> Multiple brands under Merlin Entertainment e.g. Madame Tussauds 	<ul style="list-style-type: none"> Inverse effect: thrill-seekers who enjoy roller coasters may be more enticed by the potential risk 	
<ul style="list-style-type: none"> Merlin Entertainment owns companies abroad e.g. Six Flags 	<ul style="list-style-type: none"> Multiple brands working from within the park e.g. Costa 	<ul style="list-style-type: none"> Park hosts own events in accordance with the season 	
	<ul style="list-style-type: none"> Decrease in value of pound due to Brexit 	<ul style="list-style-type: none"> Park provides disability access where possible 	
		<ul style="list-style-type: none"> Multiple schools within local area 	
		<ul style="list-style-type: none"> Park is accessible to those without their own transport 	
Technological	Legal	Environmental	
<ul style="list-style-type: none"> The last serious roller coaster incident in Britain occurred in 2004. Theme Parks, including Alton Towers, generally have a good reputation for Health & Safety 	<ul style="list-style-type: none"> Admitting liability in court case has made for a decent initial response 	<ul style="list-style-type: none"> Park is only open between March and November and experiences considerable decline during winter months 	
<ul style="list-style-type: none"> Alton Towers is renowned for "pushing the boundaries" when it comes to roller coaster design 	<ul style="list-style-type: none"> Lawsuits have found management at Alton Towers prioritised minimalising repair time over Health & Safety 	<ul style="list-style-type: none"> Towers Loving Care – experience improvement scheme to maintain all facilities 	
<ul style="list-style-type: none"> Constant innovation of Health & Safety mechanisms 		<ul style="list-style-type: none"> Generally good green activity i.e. recycling bins on site 	
<ul style="list-style-type: none"> Technology can be interfered with easily e.g. leaves over sensors 		<ul style="list-style-type: none"> Noise pollution has invited lawsuits from locals 	

Campaign Proposition

Offer To be more transparent in the “behind the scenes” of Alton Tower's roller coasters, including Health & Safety, how it works and what to do when there is a problem. This experience needs to be accessible for all.

Interest Safe and exciting experiences that allow everyone to engage, which have a positive, long-lasting impact on all involved

Insight Bringing Alton Towers to multiple audiences and allowing them to experience the thrill of the park without the park risks

Alton Towers needs to find a way to bring a transparent perspective of their park to audiences who are unable or unwilling to travel. Their STEM Day on the 28th of March is the perfect example of how this can be done engagingly and to multiple audiences, however, not only requires improved marketing, but a way of bringing this outside the park. This can be accomplished through a STEM Roadshow; Alton Towers on Wheels. The STEM element gives audiences the opportunity to learn and become invested in a new subject with potentially long-term career prospects, whilst also allowing those who are more sceptical of the health and safety behind roller coasters and attractions to see how it works. The roadshow element allows Alton Towers to bring this to audiences who otherwise would not have visited the park, and is considerably simpler to maintain, meaning a more continual source of income during downtime. The ambition is to develop and maintain audiences up and down the country, throughout the year, so when peak season does return, there is already an increase in interest and loyalty among customers. A similar scheme rolled out by the University of Wollongong, Australia, cost under \$20, 000 (£15, 114.90)

and achieved an audience of 5854 students from 114 different schools. A survey found students were significantly more interested in STEM subjects after the show, providing both an initial, intriguing experience and an influence in education and career choices.

Figure 3.1: Graph to show the increased interest in STEM subjects, following a STEM Roadshow⁵

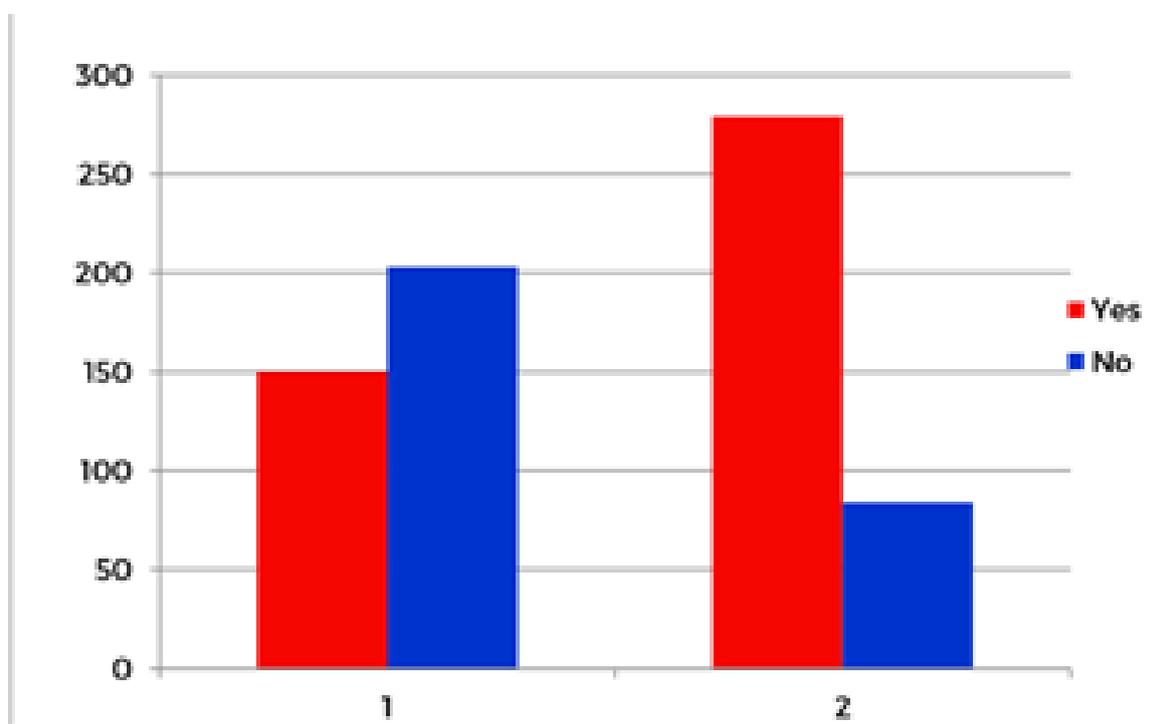


Figure 9 – Student Interest in STEM Before (1) and After (2) Roadshow Visit

The scheme not only employs Alton Towers' industry professionals, knowledge and intelligence, but also has the potential to later have a European connection; STEM Discovery Week takes places between 22nd – 28th of April and is a joint international

⁵ University of Wollongong, *Report On UOW'S Travelling STEM Roadshow September 2012- June 2016* (Wollongong: UOW, 2016), p. 7
 <<https://eis.uow.edu.au/content/groups/public/@web/@eis/documents/doc/uow232096.pdf>> [Accessed 18 March 2019].

initiative. With no current scheme from the UK involved, it gives Alton Towers the opportunity to redevelop their reputation internationally should Brexit occur.

Figure 3.2: Map to show distribution of STEM Discovering Week participants across Europe⁶



Stakeholders and Audiences

Figure 4.1: Table to show Publics and their level of Priority

Stakeholders	Public	Involvement	Priority
Internal Stakeholders			
Employees	Latent	<ul style="list-style-type: none"> • Potential job cuts • Serious implications if employee was involved 	Consult

⁶ "STEM Discovery Week 2019", *Eun.Org*, 2019 <<http://www.eun.org/news/stem-discovery-week-2019>> [Accessed 18 March 2019].

Managers	Active	<ul style="list-style-type: none"> Working to manage situation Considering press releases, public apologies, crisis management etc. 	Partner
Ride Designers/Engineers	Aware	<ul style="list-style-type: none"> Initial designs are not what caused the accident, therefore less risk Engineers could risk culpability Likely involved in finding what went wrong 	Involve
Parent Company	Active	<ul style="list-style-type: none"> Actively working to manage crisis Implicated in legal reparations Working to ensure longevity of other owned companies 	Partner
Directors	Active	<ul style="list-style-type: none"> Likely to be involved in court cases May be used as a 'scape goat' 	Partner
Owners	Active	<ul style="list-style-type: none"> Ownership does not necessarily correlate with influence Prepared to react in their financial interest e.g. selling their share 	Partner
Financiers	Aware	<ul style="list-style-type: none"> Unlikely to be directly involved in legal proceedings Prepare to react in their financial interests 	Involve

External Stakeholders

Customers	Latent	<ul style="list-style-type: none"> Large category, therefore likely to be involved Will be reacting to crisis e.g. buying tickets, cancelling stays, social media conversation One of the largest groups effected were those on school trips, due to implications on risk assessments Average age of Alton residents is forty – likely that most of these are parents Will need to rebuild trust with the brand before attending with children 	Consult
-----------	--------	---	---------

Local Community	Latent	<ul style="list-style-type: none"> In face of more national event e.g. Brexit, likely the company will look closer to home to resolve issues 	Inform
Suppliers	Non-public	<ul style="list-style-type: none"> As incident has not been linked to the usage of sub-standard materials, it is unlikely suppliers will be implicated 	Inform
Competitors	Non-public	<ul style="list-style-type: none"> Usually a risk in these situations, however as parents company also owns majority of them, could be potential alliance 	Inform
Other businesses	Latent - Aware	<ul style="list-style-type: none"> Food court and retailers less likely to be affected Movie franchises, TV series and celebrities involved with ride inspiration could be implicated May be more conscious if it appears they are endorsing the behaviours that led to the crash 	Consult
Sponsors	Aware	<ul style="list-style-type: none"> Likely sponsors will withdraw funding if there is little or poor reputational gain 	Involve
Travel companies	Latent	<ul style="list-style-type: none"> Local trades and travel companies may notice decline in business Accessibility is key for Alton Towers 	Inform
Government	Non-public	<ul style="list-style-type: none"> Despite political implications of Brexit, Alton Towers are unlikely to change this 	Inform
Pressure Groups	Non-public	<ul style="list-style-type: none"> Alton Towers prioritise CSR, so unlikely to be approached by protest groups Most likely source of pressure will be from the victims of the crash and potentially any charities they choose to ally themselves with following their accidents 	Inform
The press	Latent	<ul style="list-style-type: none"> Perhaps fastest acting stakeholder 	Involve

- Will be supporting their own business interests
- Important to ensure all marketing activities are done with the victims and their stake at the forefront, in order to ensure this does not become a superficial PR stunt.

Figure 4.2: Table to show Target Publics and their engagement

Stakeholder	Interests	Message	Methods
Customers: Students and their parents	<ul style="list-style-type: none"> • Safe events suitable for all the family • Physically engaging activities • Preparing for future education and careers 	“Behind-the-scenes access: learn about how roller coasters are designed and created, the science behind them, a future in engineering and see a side to the business no one else has”	Subscriptions, exhibitions of student work, social networking, workshops, Behind-the-scenes access
Ride Designers/ Engineers	<ul style="list-style-type: none"> • Ensuring job security following The Smiler crash • Being able to create and design • Being inspired and being able to inspire others 	“Engineers are one of the most valuable members of the work force. Come and inspired generations, whilst getting back to the experiments and creativity at its core”	Briefing materials, Business TV, meetings, product branding, merchandise, demonstrations, showcases
Other Businesses	<ul style="list-style-type: none"> • Preventing reputation damage • Maintaining sales and popularity 	“We are preparing to tour the UK and bring the excitement of theme parks with it. Join in and be a part of this exciting and ever-expanding movement”	Guest appearances; Merchandise, invites to special events e.g. Openings, discounted membership/ passes

Evaluation

There are two qualities that define the success of this marketing activity; a commercial gain, whereby the roadshow breaks even before the end of the off-season, with a subsequent increase in sales during peak season, and a reputational gain. Alton Towers is unlikely to achieve the same numbers in popularity as it did after the crash, however it is important to distance themselves from it as far as possible.

There is always the risk of second Health & Safety failure, however by conducting a roadshow in other people's home grounds, it not only places more of the responsibility onto them, but humanises the engineers, making future incidents less likely to turn into a witch-hunt for someone to blame. In addition, by branching out with the local community, better relations are established, and people will be more inclined to go direct to the company if there is a problem, rather than seeking legal action.

Figure 5: Table to show metrics of KPIs

Key-Performance Indicators	
Input	<ul style="list-style-type: none"> • Improved marketing of STEM Day • Renewed focus on marketing to schools • A unique and relevant series of events and classes • Using roadshow as pre-season marketing
Output	<ul style="list-style-type: none"> • A certain number of schools reached by the end of off-season • A certain number of schools/ students being reached across country • Participation in local media i.e. TV, social media channels, directories, "What to do in Alton this Winter" (appeal to generations not on social media) • Improved relations with local community
Outcome	<ul style="list-style-type: none"> • Breaking even before return of open season • Higher purchases during early open season • Higher average profits over a year

References

Bond, Anthony, and Richard Wheatstone, "The Four Human Errors That Contributed To The Smiler Rollercoaster Crash", *Mirror*, 2019 <<https://www.mirror.co.uk/news/uk-news/alton-towers-smiler-rollercoaster-crash-8915166>> [Accessed 14 March 2019]

"Company | Merlin Entertainments", *Merlinentertainments.Biz*, 2019 <<https://www.merlinentertainments.biz/company>> [Accessed 14 March 2019]

"Merlin Trading Update Shows Stark Impact Of Alton Towers Smiler Crash", *Bournemouth Echo*, 2019 <<https://www.bournemouthecho.co.uk/news/14772294.merlin-trading-update-shows-stark-impact-of-alton-towers-smiler-crash/>> [Accessed 16 March 2019]

"STEM Discovery Week 2019", *Eun.Org*, 2019 <<http://www.eun.org/news/stem-discovery-week-2019>> [Accessed 18 March 2019]

University of Wollongong, *Report On UOW'S Travelling STEM Roadshow September 2012- June 2016* (Wollongong: UOW, 2016), p. 7 <<https://eis.uow.edu.au/content/groups/public/@web/@eis/documents/doc/uow232096.pdf>> [Accessed 18 March 2019]

Varney, Nick, "Merlin CEO Nick Varney Fronts Response To Alton Towers Crash", *PR Week*, 2019 <<http://www.attractionsmanagement.com/index.cfm?pagetype=features&codeID=30089>> [Accessed 16 March 2019]