



GLOBAL JOURNAL OF MANAGEMENT AND BUSINESS RESEARCH
Volume 12 Issue 5 Version 1.0 March 2012
Type: Double Blind Peer Reviewed International Research Journal
Publisher: Global Journals Inc. (USA)
Online ISSN: 2249-4588 & Print ISSN: 0975-5853

Challenges and Scopes of Establishing a New Amusement Park in Khulna City, Bangladesh

By Sadia Afroj
Khulna University

Abstract - Amusement park is not only a source of entertainment but also a vibrant source of profit for a country. Rapid economic growth along with evolving of service sector espouses a substantial number of people who have regular income with diversified need. Among those needs entertainment plays a very important role. Because today's people are very much concern about their mental health. They are aggressively active in entertainment market in order to maintain as well bring something new to their busy and rigid life structure. On the other hand, already structured Bangladesh theme park sector cannot no longer rely on centered leading due to immense competition and rapid evolving global market. It needs to be spared throughout the country. In order to earn handsome profit as well as ensure continuous growth, any entertainment sector needs to find new areas for providing service. Starting a new venture with new items with latest technology, extreme customer care and promptness in all area of operation can be finest solution of it. Today's very much competitive business world it has become the toughest task to achieve customer satisfaction through quality service. In case of starting a new business and survive by competing with the prevailed sectors is more difficult.

Keywords : Amusement, challenge, scope.

GJMBR-B Classification : FOR Code: 150205 JEL Code: G32



Strictly as per the compliance and regulations of:



Challenges and Scopes of Establishing a New Amusement Park in Khulna City, Bangladesh

Sadia Afroj

Abstract - Amusement park is not only a source of entertainment but also a vibrant source of profit for a country. Rapid economic growth along with evolving of service sector espouses a substantial number of people who have regular income with diversified need. Among those needs entertainment plays a very important role. Because today's people are very much concern about their mental health. They are aggressively active in entertainment market in order to maintain as well bring something new to their busy and rigid life structure. On the other hand, already structured Bangladesh theme park sector cannot no longer rely on centered leading due to immense competition and rapid evolving global market. It needs to be spared throughout the country. In order to earn handsome profit as well as ensure continuous growth, any entertainment sector needs to find new areas for providing service. Starting a new venture with new items with latest technology, extreme customer care and promptness in all area of operation can be finest solution of it. Today's very much competitive business world it has become the toughest task to achieve customer satisfaction through quality service. In case of starting a new business and survive by competing with the prevailed sectors is more difficult. Because in every steps the customer will compare the aspects or offering of the current sectors with the new one. To maintain customer satisfaction it is necessary to understand the perception, attitude, expectation, psychology and motivation about a particular issue. considering this, in the very challenging environment any organization needs to keep the improvement flow smoother and marketing properly through effective planning and execution of conception, quality pricing and promotional campaign and selecting the exact distribution channel. The thorough evaluation will help to understand about the reason behind starting such venture, its specialty, operation and the acceptance of the park through the measurement of customer expectation.

Keyword : Amusement, challenge, scope.

I. BACKGROUND OF AMUSEMENT PARK OF THE CITY

In the last two decade, there has been a revolutionary development in the enjoyment park sector in Bangladesh. The establishment and development of such theme park introduced a new era of entertainment for the people of Khulna also. To keep attached with this experience the idea of theme park introduced here. In the city there are three amusement parks available with same level of services for its visitors. Because the rides, time of operation, service charge or other facilities are

more or less same or there are very little differences among them.

The first amusement park was introduced in Khulna in the year 1981 at Jahanabad Cantonment with the direct control and supervision of Army Core Infantry. Many retired persons were jointed with the authority later. From the very beginning it is providing its service with zoo. The initial capital of the park was about 25 million with a land property of 2 acre. The second amusement park of Khulna "Wonder Land" in Khalishpur started at June 7, 1996 with the cooperation of Khulna City Corporation. The owner of the park is G.M.M Rahman who has another six parks in different areas of Bangladesh. The city corporation leased the total land for the park for 20 years with a charge of 0.25 million for first 10 years and 0.35 million for the next 10 years. The third and last theme park "Mujgunni Shishu Park" started its operation in 31st January 2007 at Mujgunni, Boyra with 70.5 million initial capital and land area of 5 acre. The total number of visitors of these parks per month is about two thousand for each and revenue per month is approximately Tk. 1,50,000.00 Same types of rides are available in all three parks. In the zoo there are very few numbers of animals and birds. Most of the cases are empty now.

a) Challenges and scopes of starting a new business

Every business has complex involvement with other people, groups and organizations in a society. Some of these are intended and desired where some others are unintentional and not desired. The factors with which a business is involved have an interest in the decision, action and participation of that business. Customers, suppliers, employees, owners, creditors and local communities are affected by the profitability, prosperity and economic success of the business. Because each needs the others; each influences other. Business and the related aspects are entwined so completely that an action taken by one will inevitably affect the other.

To fulfill the customer's demand and objectives, vision and strategies of the forthcoming venture some factors must need to analysis. Because the business acts to produce goods and services that the customer want, recognize the social impacts and of its activities and is concerned with the social and economic affects. Market feasibility, financial availability, and profitability of the business are the most vital aspects that should be

Author : Business Administration Discipline, Khulna University, Khulna, Bangladesh. E-mail : sadiaa_1021050@yahoo.com

clarified before starting the business. This study helps to identify the probable challenges as well as find the prospected areas for the business. Any business needs to understand economic phase, marketability, corporate social responsibilities, competitive challenges, government rules, corporation and public regulations, business ethics, ecology and other environmental issues.

On the basis of challenges, activities of all business assumption about where to concentrate, compete and how. This strategic process produces major changes in virtually every future action. Sometimes business needs restructure the operation, eliminate some activities that seems too distant from the company's strength or too vulnerable to competitors. Recognition of business operation occurs frequently when the company tries to improve the quality of the product comparing the competitors, reduce the cost and improve the speed with which they respond to customers by using the scope available in its environment.

b) Challenges for starting a new amusement park in Khulna city

A number of factors play major role in determining overall success or failure of the business of an amusement park. It is just like a swimmer who needs to understand condition in the water. The business must know the basic environmental aspects to properly maneuver them for future success. At the time of feasibility analysis of the amusement park -The Fantasy World different challenges and scope came forward to us we our projected amusement park may consider issues given below;

i. Economic challenges

The economic dimension of a venture's general environment is the overall health of economic system in which the business operates. Particularly important economic factors that the new venture must consider are available market information, inflation, rate of interest and scope for bank loan, availability of fund for new business, employment-unemployment situation etc. For a new business like an amusement park, these factors should be considered and evaluate very carefully. Because these factors affect the demand for different products one hand and another hand determines the future profitability or chance of durability of the business. The major economic challenges for our business are;

- *Unstructured market information:* At the time of establishing a new business, the entrepreneurs needs organized or reliable source to acquire the facts about the market condition. But in Khulna there is hardly any source of structured market information. It is an impediment to pre-business viability and business operations. Business needs to rely upon the business associate, other predecessor's experience, suppliers and their

bankable customers. For a new venture there is no authentic source of business information or any publications that can act as relevant source to fix the future course of actions.

- *Unavailability of Bank loan and higher cost of capital:* The business is owned by equity shareholders and the prospected investment in this park is Tk 10 crore. At first a loan of Tk.5 crore was asked from Standard Chartered Bank, but the bank was not interested to handle this amount. The bank agreed to lend Tk. 3 crore only for the project. So, we need to convince another financial institution Lanka-Bangla Finance Ltd. to lend us another Tk. 2 crore for this project. For the bank loan we have to pay 15% interest where the Lanka Bangla Finance Ltd. is charging 17% for their amount.
- *Lack of interest in investment in entertainment sector:* In Khulna most of the investors are disinterested to invest in entertainment sectors. Still they consider it as a non profitable sector. This factor acts as constrain to develop the theme park sector of Khulna. Different entrepreneurs are interested in highly profitable sectors. The City Corporation and other organizations are not so much conscious about the necessity of this sector
- *Overall economic condition of the city:* Industrial city Khulna has lost its tradition long before. The turnover of the Jute and paper industries creates serious unemployment problems in the recent years. As a result the overall economic condition of the city is so poor especially in some industrial area it can act as a threat for the profitability of the park.

ii. Marketing challenges

Today's marketing is all about creating customer value and building long term customer relationship. It starts with understanding the needs and wants, deciding in which market the business can serve best and developing a compelling value proposition by which the business can win, keep and grow its customers. If any business does so it can reap the reward in terms of profitability and customer equity. The factors which act as barriers for the development of a new amusement park in Khulna city are

- *Competition from the very beginning:* The competitors of a new business are the other business organization that will compete with the new one for survival and growth. Different business organizations compete for different kinds of resources like-quality services, performance of its employees, technological breakthrough etc. The park it will face the vast competition from the beginning of its operation. Because there are already three entertainment parks available in Khulna within smaller distance. At the initial stages it will take time to gain the customer loyalty

- *Needs of vast promotion:* The people are known about the service level of three existing amusement park of Khulna. We are offering unique service in terms of high-tech rides, water world, special event arrangement facilities and full time transportation. To inform the potential visitors about the specialty and uniqueness of the service huge promotion is required before and after the starting of the business. It increases the fixed as well as the maintenance cost of the park.
 - *Over expectation of the visitors:* At the time of starting a business the expectation of the customer remain very high. The service quality of the existing park is dissatisfactory according to the visitors. So they fixed up their expectation very high. So we need to fulfill the sky high expectation to attract and retain most possible visitors for the park. If there are any gap between the desired expectation and service level the park always bears the threat to lose its potential customers in future. It is not possible to identify the exact level of the expectation of the people.
 - *Diversified need of the visitors:* Need and demand of the people change very quickly. They are always looking for better option and frequently switch from one to another. From the very beginning we are going to offer different service which is totally new in Khulna. But entertainment sector is already developed in different parts Bangladesh and offering diversified services as it is in Fantasy Kingdom. The comparison with those theme parks may increase the expectation of the bankable visitors. The diversified need and higher expectation is a big challenge to us to meet the diversified need and meet the expectation level.
- iii. *Geographical challenges*
- At the time of choosing the location for a business it seeks for some geographical advantages from there. With the advantages each business faces some problems raised from geography. The geographical barriers for the development of an amusement park in Khulna are
- *Frequent natural desalter:* In Khulna the impact of natural calamities is intense. The proximity to Sundarban bears a risk of regular natural disaster. Natural disasters destroy the properties. The asymmetrical nature of the weather is a vital challenge for the business as well as for the visitors.
 - *Unskilled Human resource:* In Khulna the labor cost comparatively low and there is huge supply of labor. But the problem is that most of them are semi-skilled or unskilled. They have the experience of working in different jute or paper industries. This labor force is not appropriate for the operation of high-tech amusement park.
 - *Lack of training facilities:* For a business to survive and prosper it must be able to identify, select, develop and retain qualified personnel. They are the most important resource of a business. Because they supply the talent, skills, knowledge and experience to achieve the organization's objectives. At the initial stage it is difficult to get skilled labor to maintain the activities. Because in Khulna there is no scope to train the people with modern technology which is specially required in the operation of an amusement park. So it requires huge amount of money to properly train up the labor to get optimum service for them
 - *Administrative constrains:* For the establishment and development of a business the administration plays a crucial role. The proper assistance from the administrative sector can accelerate the pace of operation of the business. Thus can be an obstacle in the way of its operation. The administrative body creates various problems for the new entrepreneurs as;
 - *Bureaucratic process in licensing:* Licensing is a key issue for starting a new business. For the establishment almost 14 to 15 licenses are mandatory as trade license, city corporation permission, and environmental clearances. The process of licensing is very lengthy and takes huge time to get any information or permission in every administrative sphere. The persons related to the task, are highly corrupted in most of the places. The difficulties in acquiring the licenses for the business associated with bureaucratic procedure, corruption and lack of proper guideline
 - *Problems in acquiring machineries and other instrument:* To ensure the best quality entertainment, the park needs modern machineries for rides. Some local machines can be procured in the workshops at Dhaka. But in case of foreign machineries and equipments, problems raised when it arrived in Chittagong port and requires customs clearance. It had to wait a long time and high tax charge and inducement in different places increase the cost.
 - *Land Procurement Problems:* At the time of selecting a land for an amusement park, some aspects are considered very carefully. One hand, it requires huge land area, on the other hand it needs to be situated in such a place that is accessible to the visitors. In Khulna there are so many places to establish an entertainment park. For our projected park we acquired land in Nirala-Gollamari main point (Agrani Bank Town) With out the help of City Corporation it is almost impossible to continue it properly. But it is so taught to get the permission from the City Corporation by showing appropriate field of an amusement park.

iv. *Technological Challenges*

Technology has an enormous effect in business operation specially where the major business activities are operated and controlled by it. The dominant feature of technology is change and more change. Technology forces change on people whether they are prepared for it or not. In case of our operation we are committed to ensure the superior service in terms of different rides with the help of modern technology.

- *Lack of technical experts:* Today's industries are the midst of technological revolution. Modern technology is evolving at breakneck speed. Robotic and laser technology also are making their presence felt in the workplace. A business like amusement park needs to update its facilities with new technology to compete. But Khulna is still in a primitive stage so far as its technology is concerned in case of using high-tech technologies for park purposes. To introduce the modern technology technically skilled human recourse required. But in Khulna it is difficult get such technical expert to operates the machineries or rides.
- *Problems in case of technological failure:* For the operation of our amusement park, we are going to use modern technology which is totally new in Khulna. Most of them are imported. If the machineries or rides fail to operate properly or any technical difficulties arise, there is a huge chance to stop the major operation of the park for a long time. The substitutes of the machineries of the park are not available in the local market of Khulna or no technically expert organization to repair it within a short time. It may incur a huge loss for the business
- *Inadequate energy supply:* The rides of the amusement park are operated mainly by electricity. But due to inadequate energy supply it may create serious problem to operate in full swing. Moreover it may incurs loss due start-up & shutdown wastages and irrational labor utilization.

v. *Other Challenges*

Beside those problems there are some other difficulties in case of operating a business of amusement park. They are described below;

- ✓ *Socio-cultural measurement:* As the world moves towards it is strikingly obvious that any business needs to operate within complex webs of social responsibilities. The structure, design or strategies have been driven by intense competition in the market. Socio-cultural aspect includes the customs, norms, values and demographic characteristics of the society in which the business organization function. Within the socio-cultural boundary the needs, demand, emotion, expectation etc are shaped. In case of amusement park, it is very essential to carefully choose the entertainment items whether it matches with the practiced

customs, justified the values, touch the emotion or fulfill the desired expectation of its customers or not. If there remain any gap between the performance and expectation, it creates distance then the business may not exist for longer period of time. Before starting the full range operation it is too difficult to measure the socio-culture approach towards the business like an amusement park

- ✓ *Insufficient entrepreneurial counseling:* At the initial phase of a business counseling could help and encourage people to start own venture. But in Khulna there is no chance to get any sort of effective counseling from any organization.
- ✓ *Absence of research and development facilities:* There are very commonly perceived and also perhaps generally encountered difficulties of operation of a business like amusement park. However a close scrutiny and careful interpretation trends to reveal the lack of institutional credit, non availability of working capital, low level of technology, market access problems. Systematic and in-depth studies based on sufficiently large sample are needed to precisely identify the operational woes of the different categories of any business. Through research and development required investigation and survey can be conducted to overcome the disputes. For different business there is no standard research and development organization that can conduct necessary research and work as a reliable source for the new business
- ✓ *Regulatory agencies & interest group:* Regulatory agencies are the part of environment that has the potential to control, legislate or influence the policies and practices of a business. For example Environment Protection Agency. They have the tendency to create immense pressure before starting the park concerning some environmental and social issues.
- ✓ *Legal & Political interruption:* It refers to the government regulation of business and the general relationship between business and government. For a new venture it is important for several reasons. Because the current legal structure of a particular region partially defines what the organization can or cannot do in future. Pro-business or anti-business approach in government influences the business behavior, shaped the types of operation or promotional activities. On the other hand, political stability has ramification for future planning for the business.
- ✓ *Absence of clear-cut government policies:* For the business of an amusement park we need to fulfill all the requirement like other common business. There are some restrictions in establishing the park that we faced at the time of marketability study. But still there is no clear-cut government rules regarding the complete business action of an amusement park.

- ✓ *Image development Challenge:* For any new business it is so important to build up strong image among the people by providing superior service comparing to its competitors. Image is more than just mane or impression. It is a key element in the business's relationship with the customers. In case of an amusement park it represents the visitor's perception and feeling about the performance level or everything that they want from an amusement park. The real image of a park is to capture consumer preference and loyalty. Because if we can't successfully build a positive and strong image among the people, there is no chance to survive for the long time.

c) *Scope of a new amusement park in Khulna*

The scope of business in Khulna is comprehensive. The location in the south-west region of the country with a number of good navigable rivers, educational hub tourism based area; flood free flat land helps us to boost up our business. Khulna is considered as the regional capital and it has the large integrated port facility. The transportation, communication, the linkage with other towns and growth centers raw materials and labor availability, can make it the most important trade city in the region. It is also to revive the economical sectors by developing different industrial and service sectors. There remains a huge demand of an excellent entertainment place for all aged people of Khulna. Because the existing parks or other entertainment places are not providing standard services. The service level is also more or less same. For the entertainment the people usually go out of Khulna. If we able to establish world class entertainment park with modern technology, first rate security it certain that it will able to attain and retain huge visitors that will contribute in the local as well as in the national economy. The scopes for the establishment of an amusement park in Khulna are described below

i. *Geographical Advantages*

Khulna is located on a natural levee of the Rupsha and Bhairab rivers and characterized by Ganges tidal floodplain. As a divisional city Khulna is getting some geographical facilities which will help a new amusement park for future prospects. Easy transportation and communication system of the city will able to attract more visitors. On the other hand telecommunication system is most available in the city. To visit different attractive sites like Sundarban, Khanjahan Ali Mazar Shat Gombug Masque, Mongla port, so many people home and abroad need to pass through Khulna. These people can be our bankable customer. Many industries of Khulna have closed down. So there remain so many people unemployed. For different services this labor force will act as the prospect for the park. Because the availability of unemployed people will lower labor cost. Land of Khulna city is quite

plane and fertile. So it is easy to establish the park on the plane land easily.

The weather of Khulna is so appropriate that the outside visitors will not face any problem to adjust with its environment. Besides bearable average temperature, and consistent behavior of the nature is also a plus point

ii. *Demographical Scope*

In Khulna there is moderately rapid population growth mainly due to rural-urban migration. Population composition is characterized by a preponderance of children and young and low population of aged people. It bears a relatively a high literacy rate comparing other cities. Gross population density is high about 1800 per square Km. and large population of the city is engaged in informal sector activity. The people of Khulna city is really peace loving. They willingly participate all cultural programs strongly. They yearn for spent money for recreation. And frequently arrange different program in different occasions. The cultural mentality of the general people will be a vital source of prosperity.

iii. *Economic Advantage*

To be financial profitable, our park will attain some economic advantages form different areas. The prospected areas are;

- ✓ *Low living cost:* Though the economic condition of the city is not improved the people bear the capacity to spend money in entertainment sector. The life leading cost of Khulna is low than the other parts of Bangladesh .As the living cost is low, the people can easily expend money for their enjoyment
- ✓ *Income Structure:* Though the turnover of different jute and paper industries decline the purchasing power of the people in some areas the income level of the city is still high. The main income sources are agriculture , frozen fish exporting (specially prone) ,Business, Government and non government service. The people have the capacity to spent money for amusement.
- ✓ *Employment opportunity:* Through the park a large number of unemployed people will get the chance to contribute in pre or post construction activities of the park. Ultimately it will contribute it improve the overall economic condition of the city. For any business increase the standard of living is one of the most important motives. We are not apart from it. Obviously the employment opportunity will help a large portion to increase the standard of living as a part of our social commitment.

iv. *Other Opportunities*

For stay in Khulna there are three "Three Star" hotel and more than fifty normal hotel in Khulna that will help us to attract outside customer

- There are two public universities, four private universities, one medical college, ten collage,

eleven high school and more than two hundred primary & kinder garden school in Khulna city. There are more than three Lac students studying in all of these educational institutes. They can be the valuable customer.

- Most of the Govt. organizations, Private organizations including banks, insurance company, telecommunication organization and some service providing organizations run their activities in Khulna city. So, the employee of those organizations and their family can be considered as our valuable customer.
- Most of the shrimp exporting business organizations established in Khulna. Their foreign and outer business parties can also be considered as our valuable customer.
- Through the park we are offering such services that totally match with the religious and cultural values of the people of Khulna. So it may create emotional bonding with the people and the park.

II. CONCLUSION

The huge need of fun and amusement in Khulna region forces to build mind-blowing places for entertainment. Not only form the view of gaining profit but also to entertain exhausted people of Khulna. In our country, this sector is introduced the beginning of 90's and others part of Bangladesh has already developed many creative and amusement sites Khulna as a divisional city has a great need of secured recreation place. The city has all the resources available with a lack of taking initiatives. From the customer point of view it is quite clear that they are fully dissatisfied with the service status of the existing parks. Though there are some problems for the establishment of a park, it is also true that it can be easily overcome those difficulties and find a prospect to gain profit and ensure a healthy entertainment source as a part of our social responsibilities. But we never unfasten from our social commitment. The establishment of a Park will aim at a higher technological use, less idle land and lower employment rate by attracting more visitors. In the long run Khulna will have more powerful global competitiveness, more business opportunities, and finally fulfill the goal of sustainable development.

a) Recommendations

- Government and local authorities should come forward to facilitate the entertainment sectors by providing loan at lower interest rate and tax exemption facilities. Because it is an exciting profitable earning sector.
- There should be the opportunity of increasing the training facilities for the unskilled human resource for different purpose of an amusement park
- The use of technology should increase to make the total operation more effective and efficient

- Bureaucratic procedure in pre-business activities as licensing and corruption should remove.

REFERENCES RÉFÉRENCES REFERENCIAS

1. Alter, Judy (1997). Amusement Parks. Amazing New York: Franklin Watts. ISBN 0531203042.
2. Bangladesh Parjatan Corporation
3. Deakins, D.; Freel, M. (2009). Entrepreneurship and Small Firms, 5th Edition. McGraw Hill.
4. Edmiston, Kelly. "The Role of Small and Large Businesses in Economic Development." Economic Review 1 (2010): 1-93. KansasCityFed.org. Web. 25 Oct. 2011.
5. Frehse, J, Buhalis, D, The importance of lifestyle entrepreneurship: A conceptual study of the tourism industry, PASOS Vol. 7, No. 2 p393-405, 2009
6. Longenecker, Justin G.; Carlos W. Moore, J. William Petty, Leslie E. Palich (2008) (Casebound). Business management : launching and growing entrepreneurial
7. National Geographic Atlas of the World (7th ed.).
8. Zahra, Gedajlovic, Neubaum, Shulman (2009). "A typology of social entrepreneurs: Motives, search processes and ethical challenges", Journal of Business Venturing, 24 (5), pp. 519-532.