

Your Future

Looking into the FEC Crystal Ball

Randy White, CEO



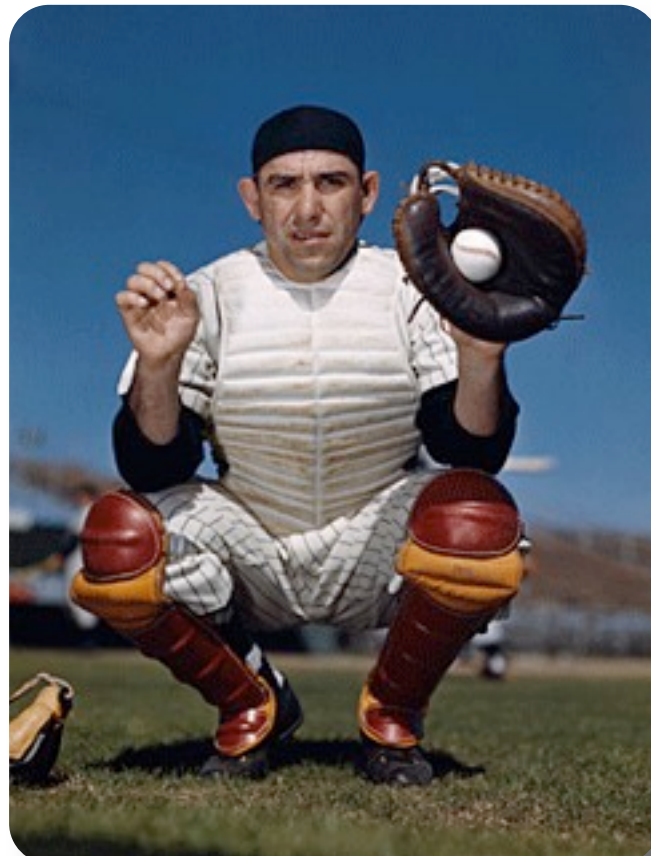
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“The future ain’t what it used to be”



Yogi Berra



Tribe:
Socialize
Share food
Entertainment



First out-of-home entertainment





Permanent location-based entertainment





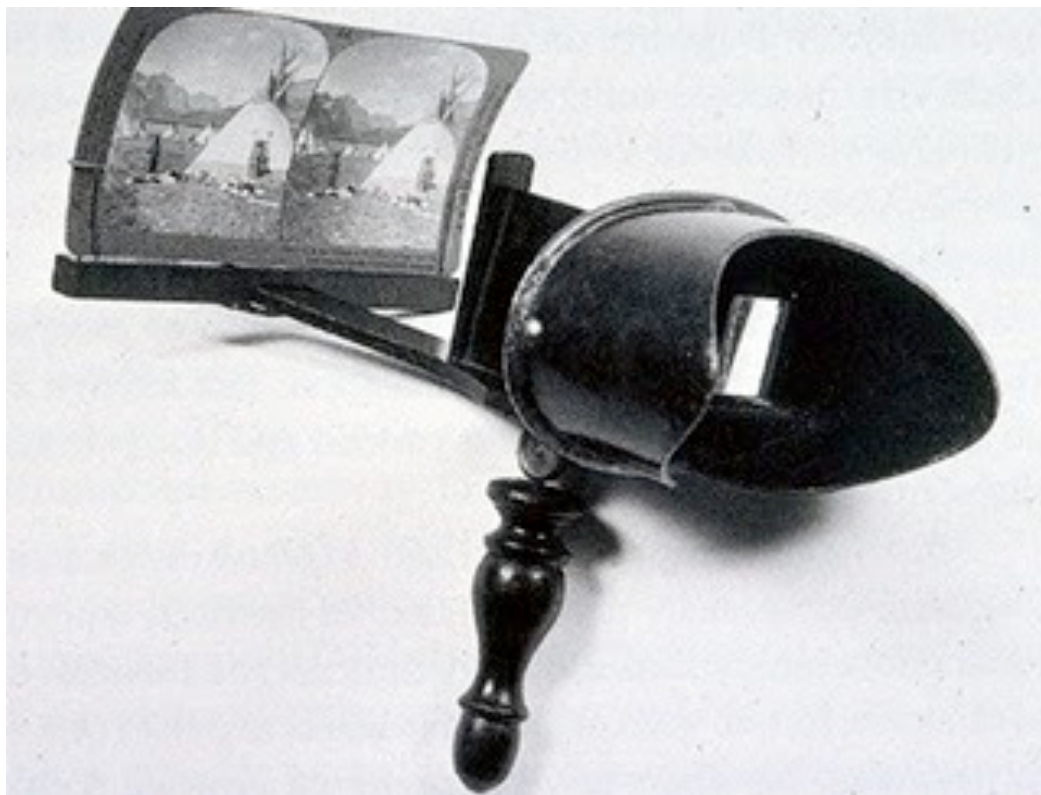
c. 3500 BC



At-Home Entertainment



First mass production of at-home entertainment



c. 1850



1877

Socialization no longer location dependent



c. 1877

First electronic out-of-home entertainment



1894



1896

Electronic transmission of at-home entertainment



1920



1941

First mobile electronic entertainment



1945



1954

1971

BIRTH OF DIGITAL AGE





1974



1995



DIGITAL AGE



2001



2007



2010



DIGITAL AGE



1978 - BULLETIN BOARDS

1994 - GEOCITIES

1995 - THEGLOBE.COM

1997 - AOL INSTANT MESSENGER

2002 - FRIENDSTER

2003 - MYSPACE

2004 - FACEBOOK

2006 - TWITTER

2009 - FOURSQUARE

DIGITAL AGE



PS3
PlayStation 3



Wii.



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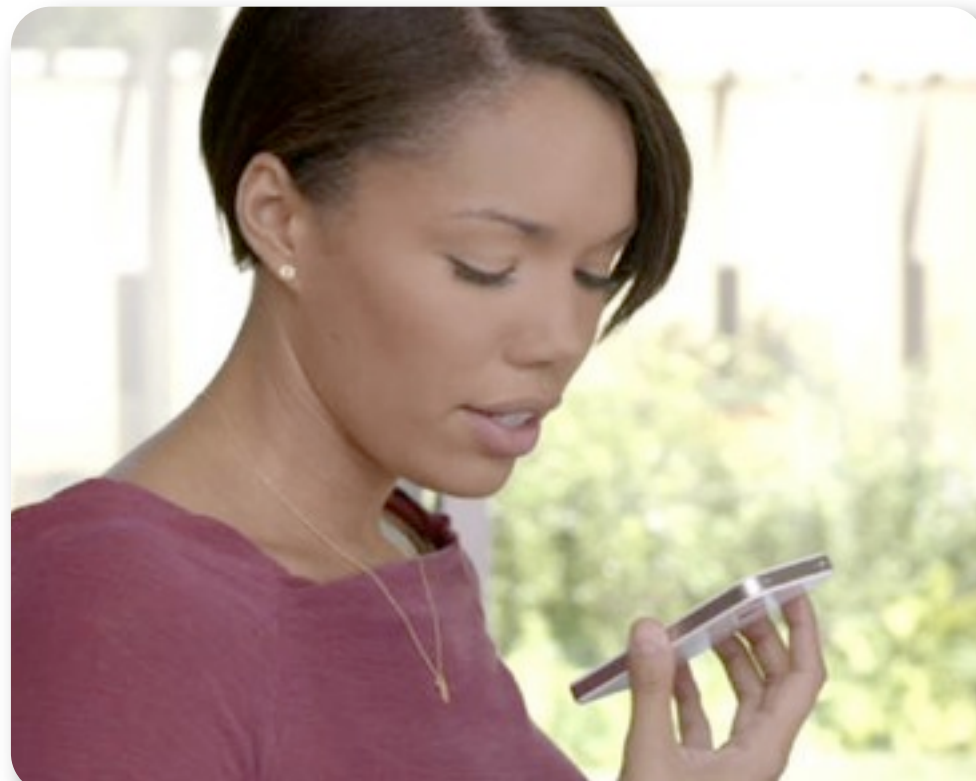


DIGITAL AGE

SOCIAL-ENTERTAINMENT IS NO
LONGER LOCATION DEPENDENT



DIGITAL AGE



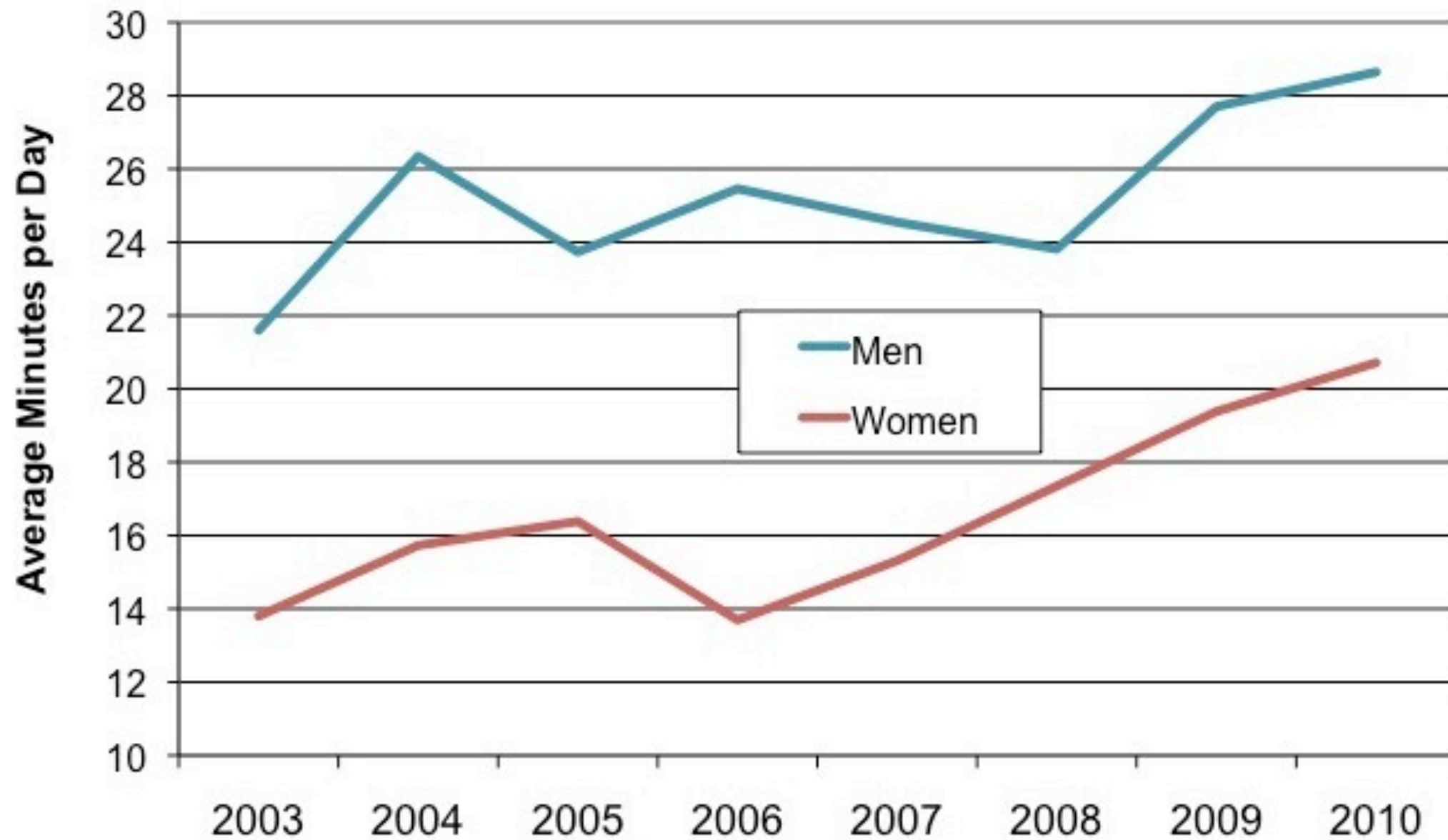
It's a Zero Sum Game



5 Hours

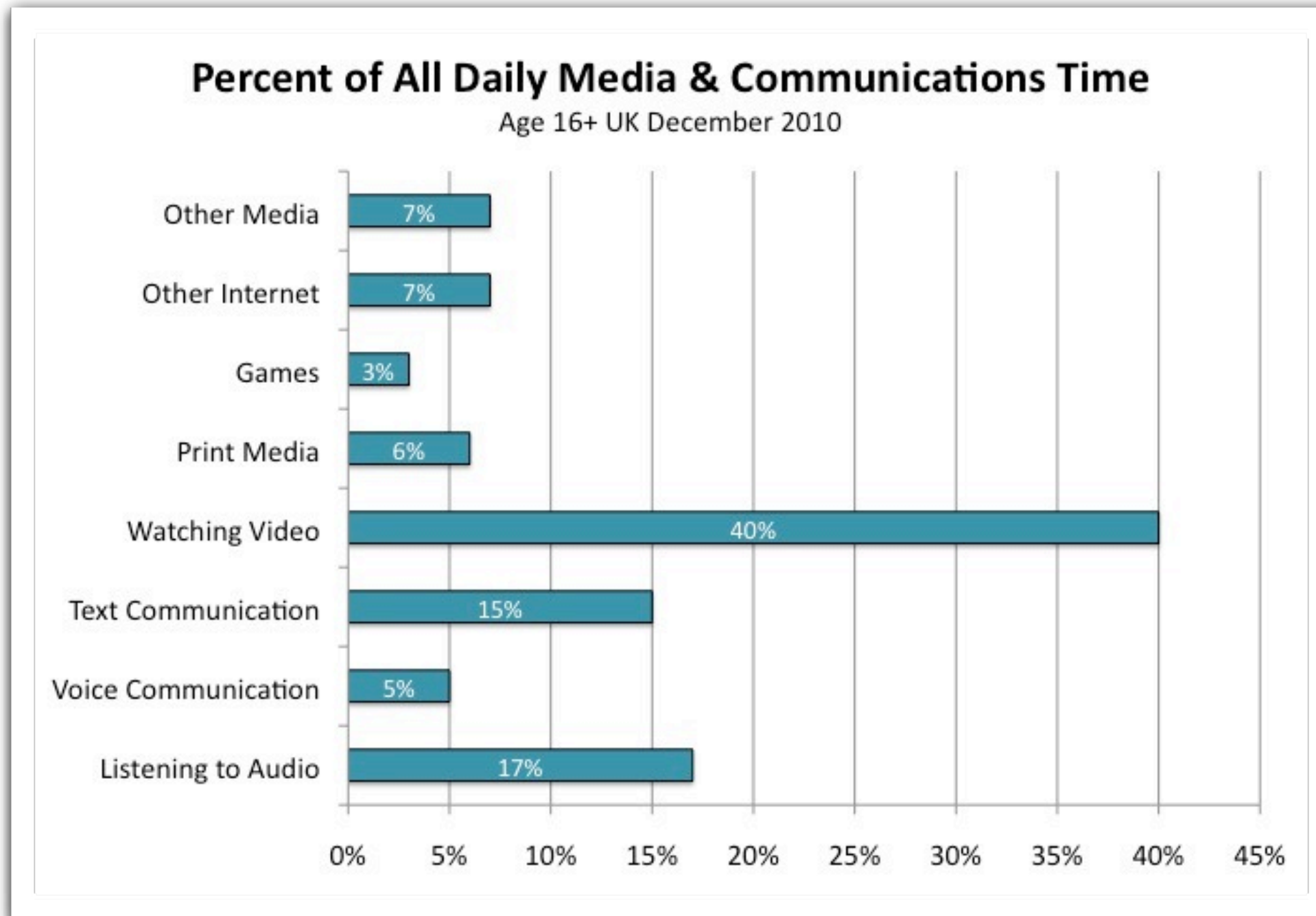
Time is the currency of experiences

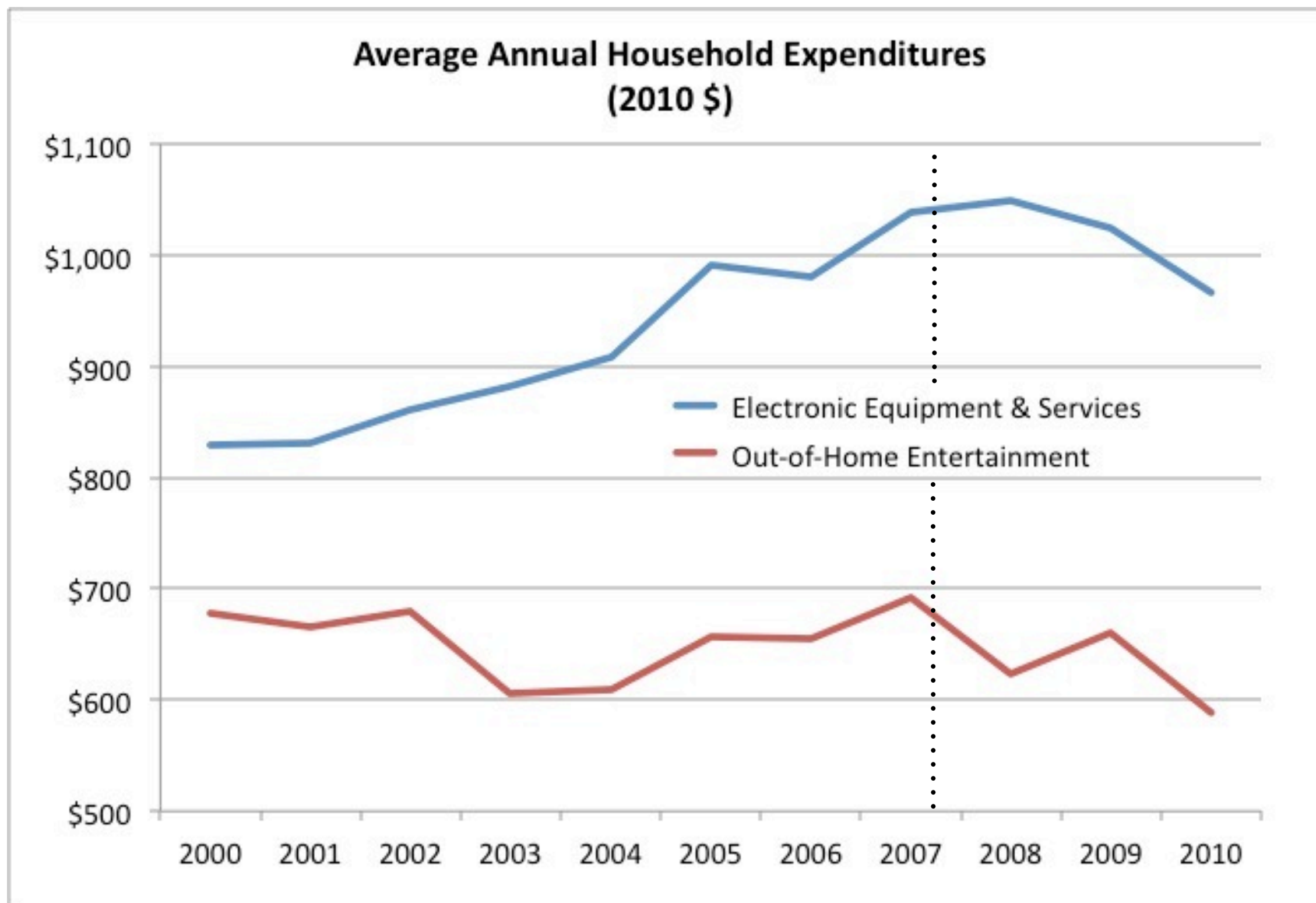
Average Daily Time Playing Video & Computer Games (Americans 15-Years+)

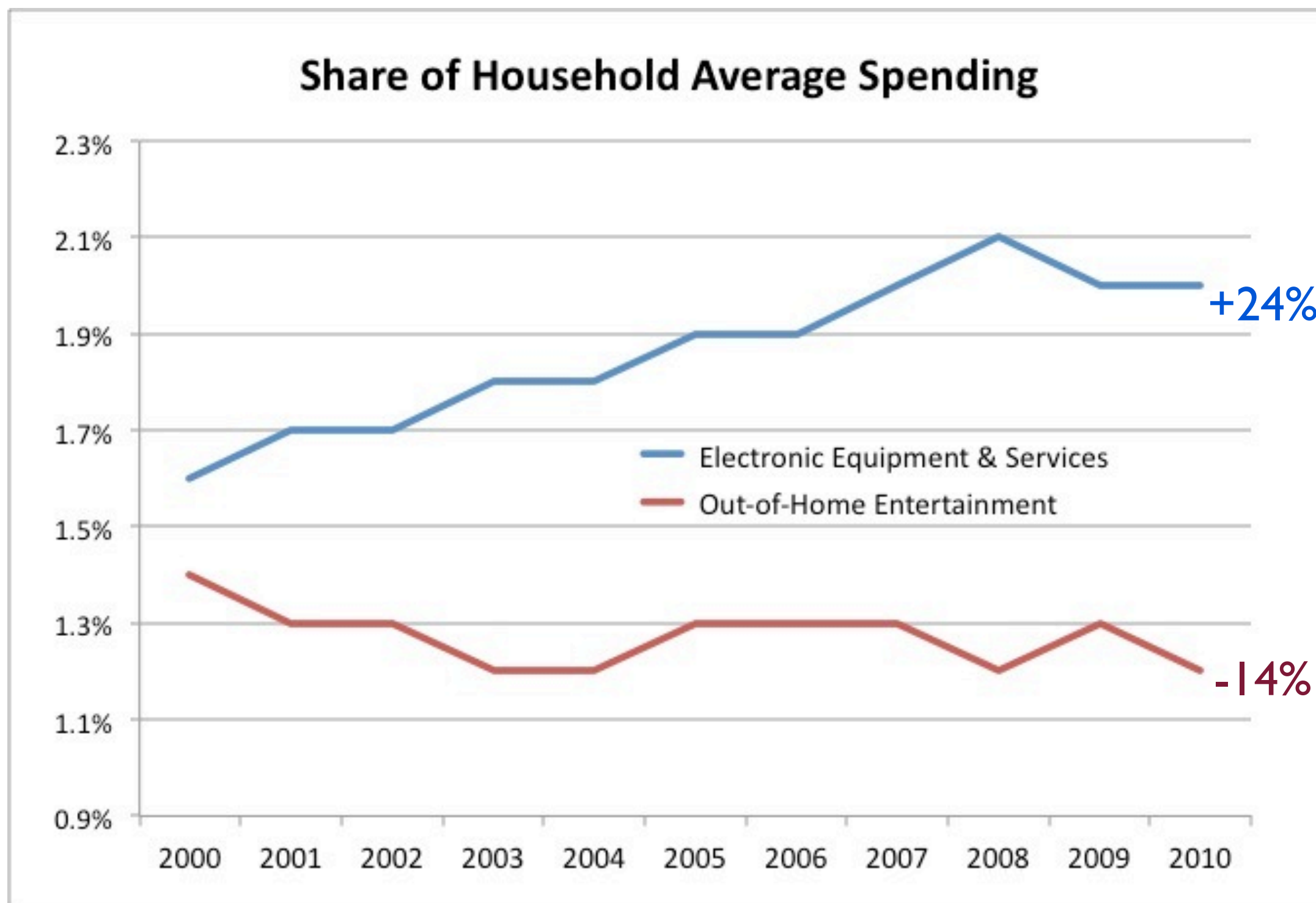


Time Awake: 945 minutes

Media & Digital Communications: 425 minutes

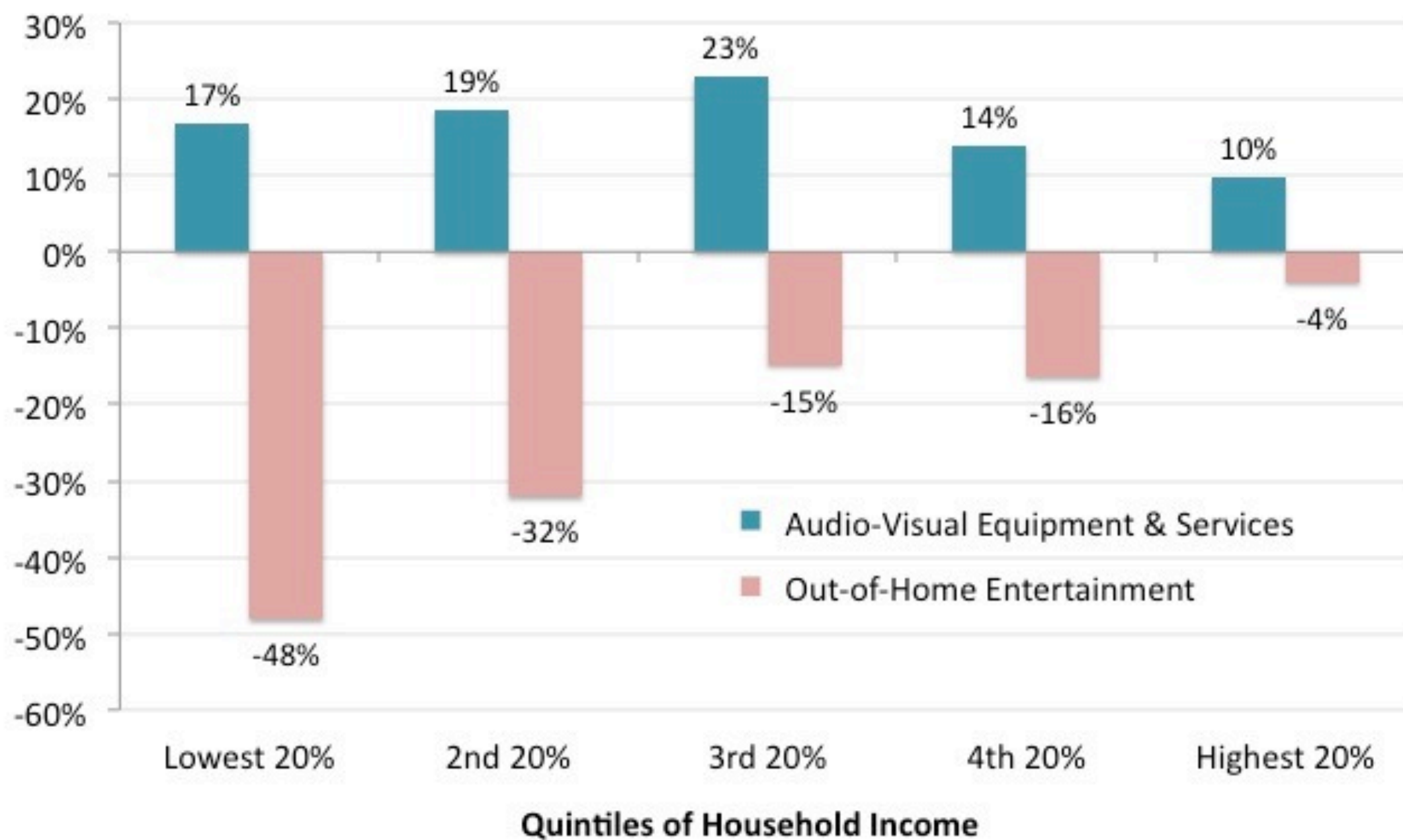


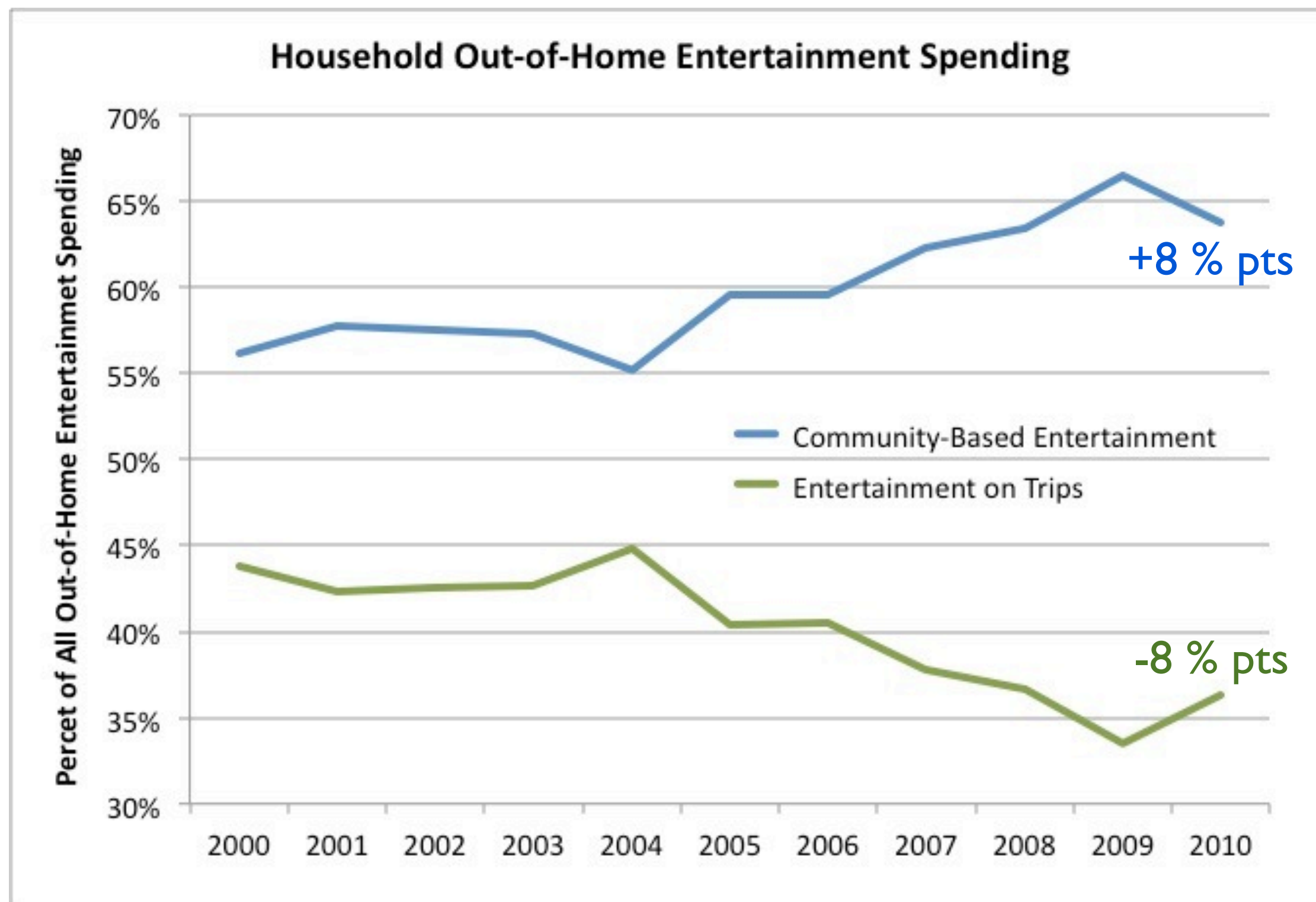






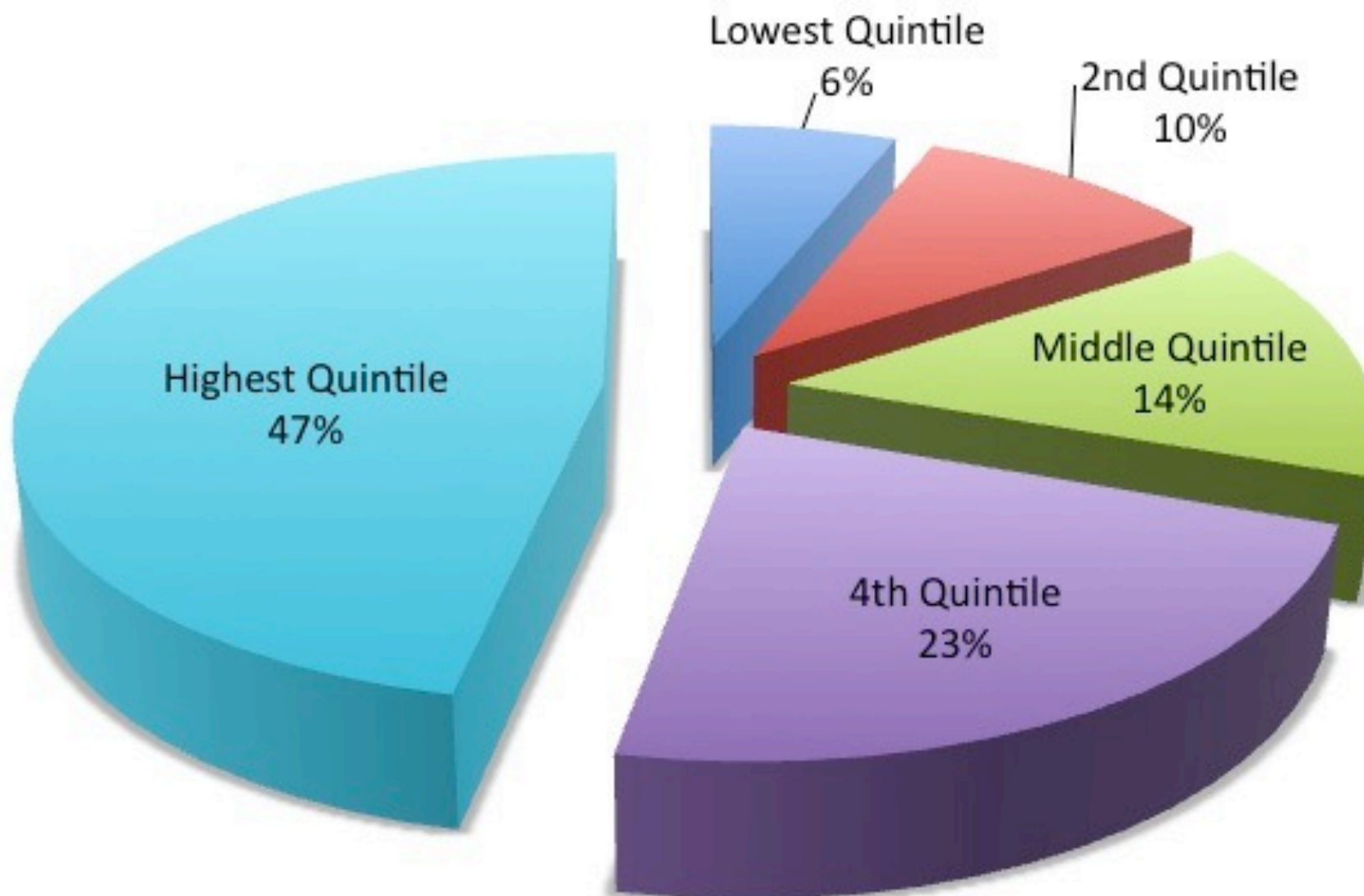
2000 - 2010 Change to Spending by Household Quintiles of Income (inflation-adjusted)





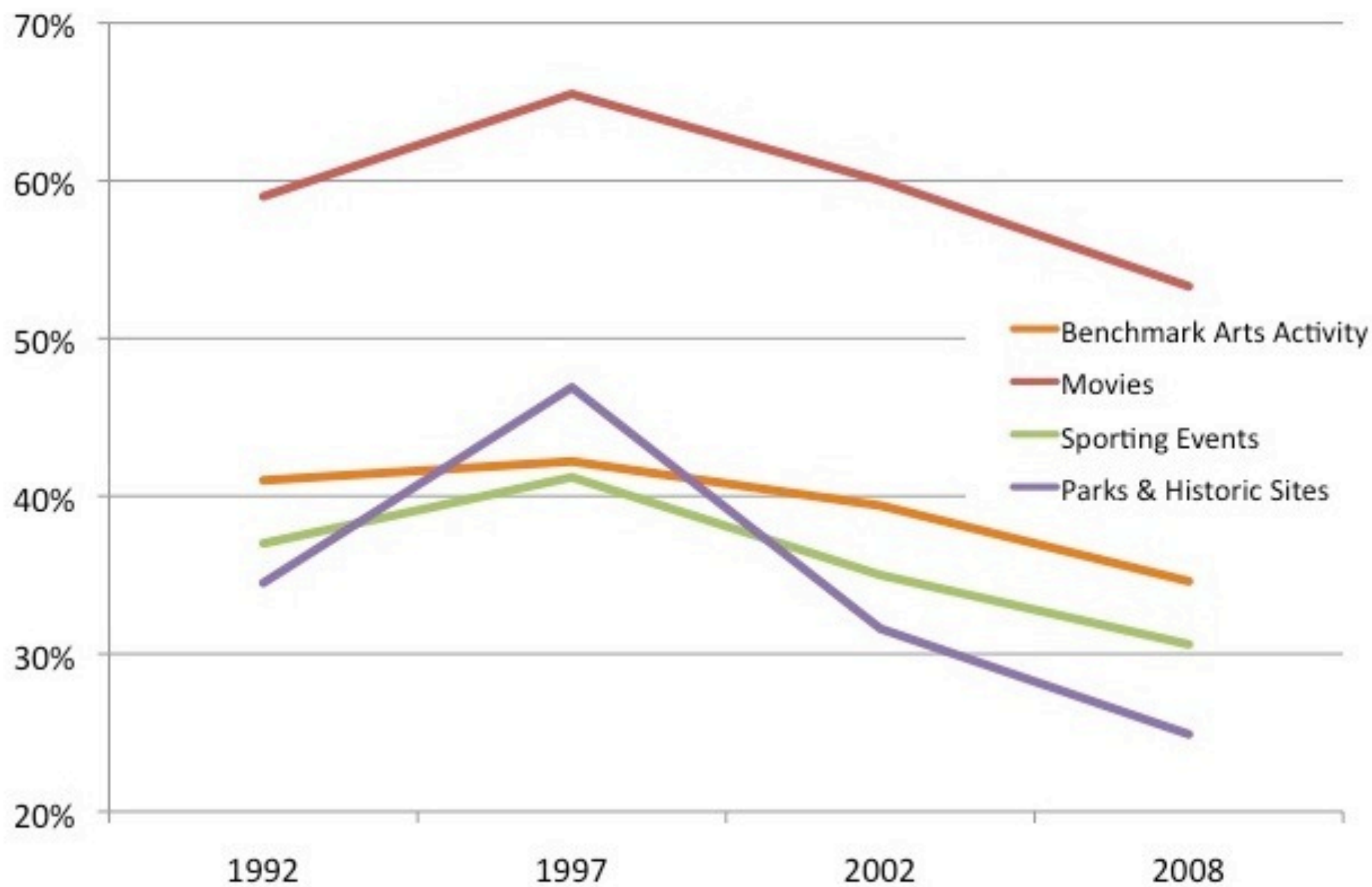


2010 Community Out-of-Home Entertainment Expenditures by Quintiles of Household Income



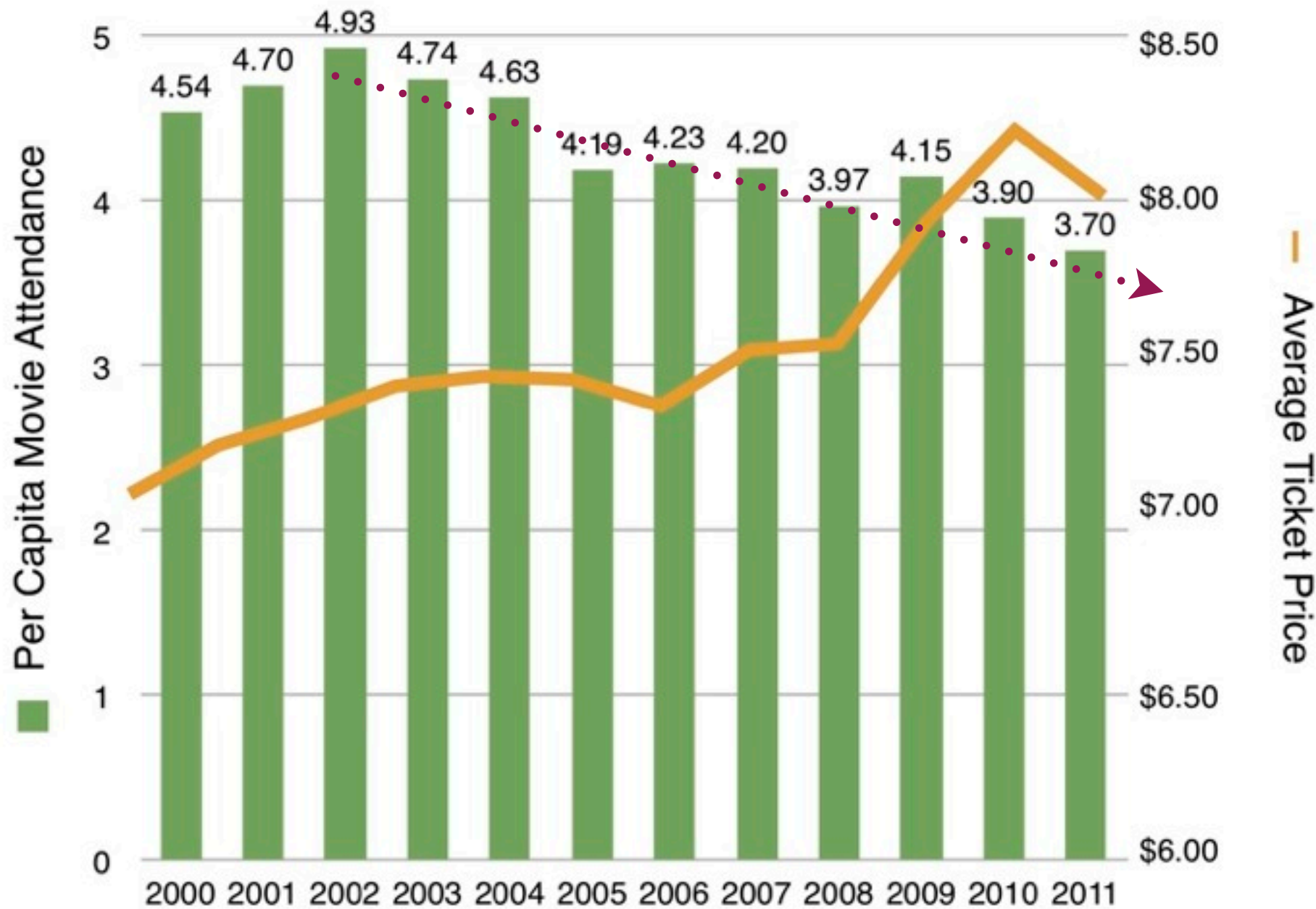


Percent of Adults Attending at Least Once In Past Year





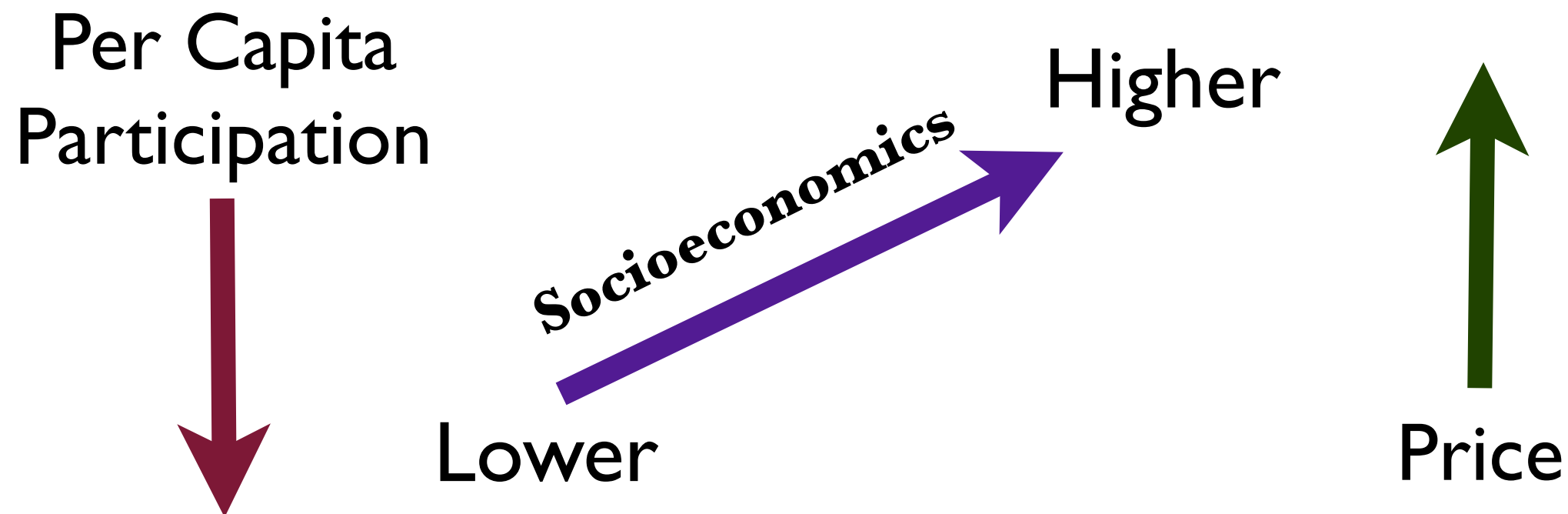
North America Cinema Attendance & Ticket Prices (in 2011 \$)



Sources: White Hutchinson Leisure & Learning Group, Box Office Mojo, MPAA
Theatrical Market Statistics, U.S. Census Bureau & Statistics Canada



Social Stratification of Location-Based Entertainment



Why are video games so appealing?



80% Socializers

10% Achievers

9% Explorers

1% Killers



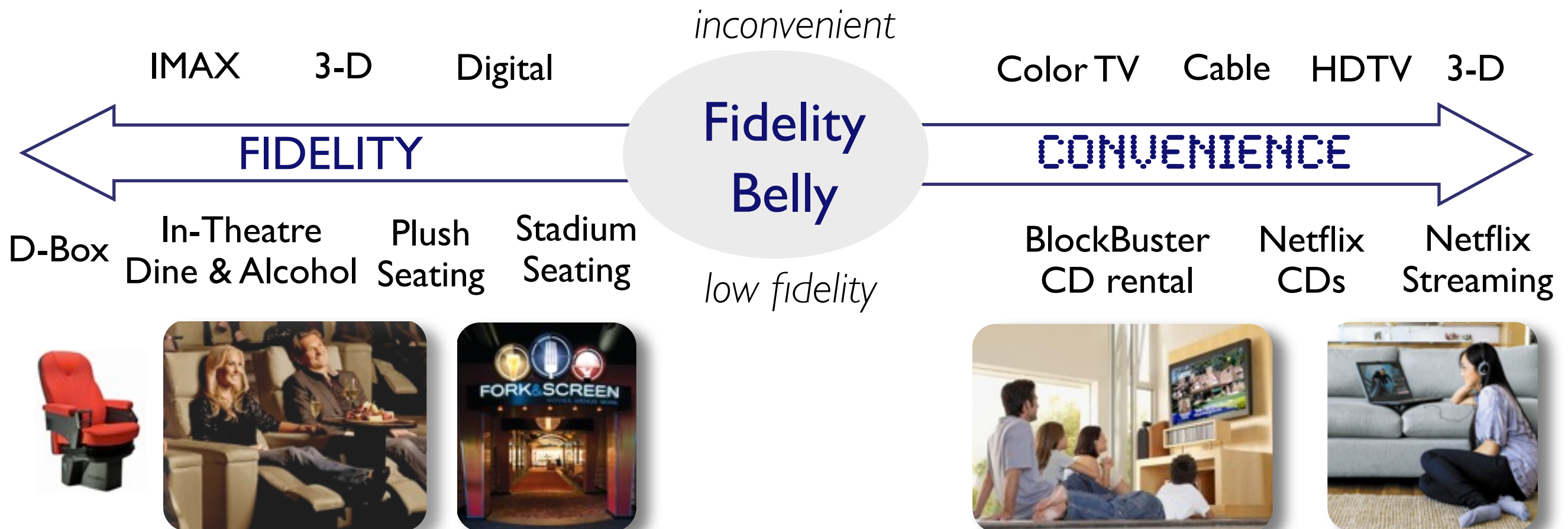
**“We are consumed by
what we are nourished by.”**

William Shakespeare



The **VIRTUAL** is replacing the **REAL**

Increasing Convenience drives increasing Fidelity



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Rock Concert



CD



MP3 Music

Fidelity
Belly

FIDELITY

CONVENIENCE



Wizarding World of
Harry Potter



FEC



In-Home Games
& Social Media

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Caveman to the Rescue

Back to the Future

#1 Reason for Attending Cultural Events

Dance Performance - *Socialize* 60%

Arts & Crafts Fair - *Socialize* 59%

Music Performane - *Socialize* 60%

Live Play - *Socialize* 68%

Art Museum - *Gain Knowledge* 65% (socialize 45%)

DIGITAL AGE



DIGITAL AGE

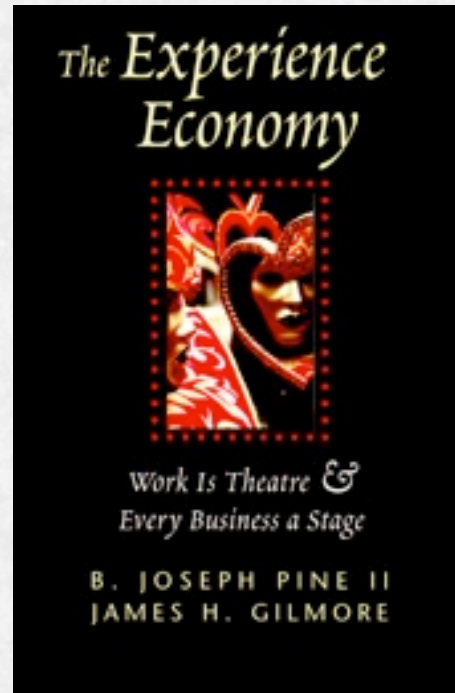


The tribal campfire

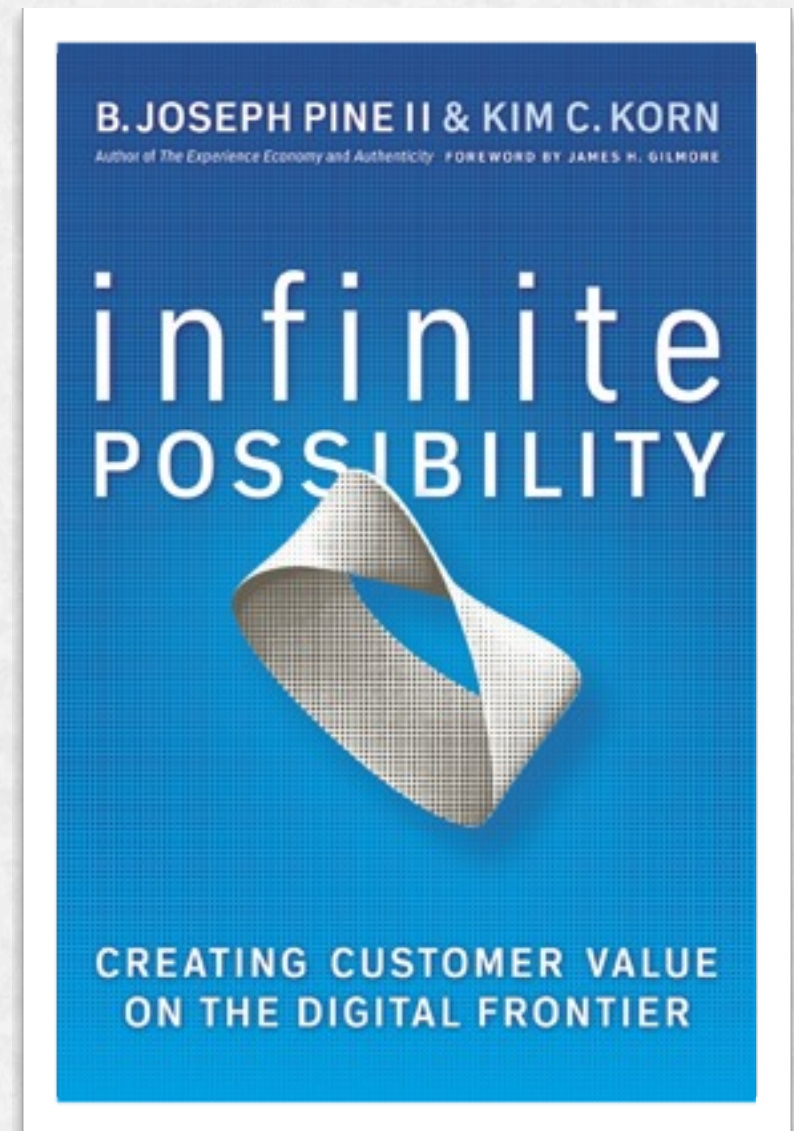
WUWUWUWU DIGITAL AGE



**White
Hutchinson**
LEISURE & LEARNING
GROUP



Joe Pine





Impact of the Great Recession

The New Mindful Consumer



Frugal

Value now
means much
more than
just price



Implications: the good news



- There is a shift from aspiring to material wealth to aspiring to experiences
- Lifestyle more focused on community, connection, quality and creativity
- Desire to do business with companies that show kindness and are socially responsible
- An expenditure on an experience brings more pleasure than the same amount of \$ spent on stuff
- Shift from extravagant, extreme & distant entertainment experiences to more local & affordable entertainment
- Social and family values and experiences becoming more important
- Unique *unachievable-@-home* experiences offering some social cachet will have high value
- Still ample opportunities for LBEs that find the new sweet spot



Compete on price or value?

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+ **2 Silk Ties^{*}**
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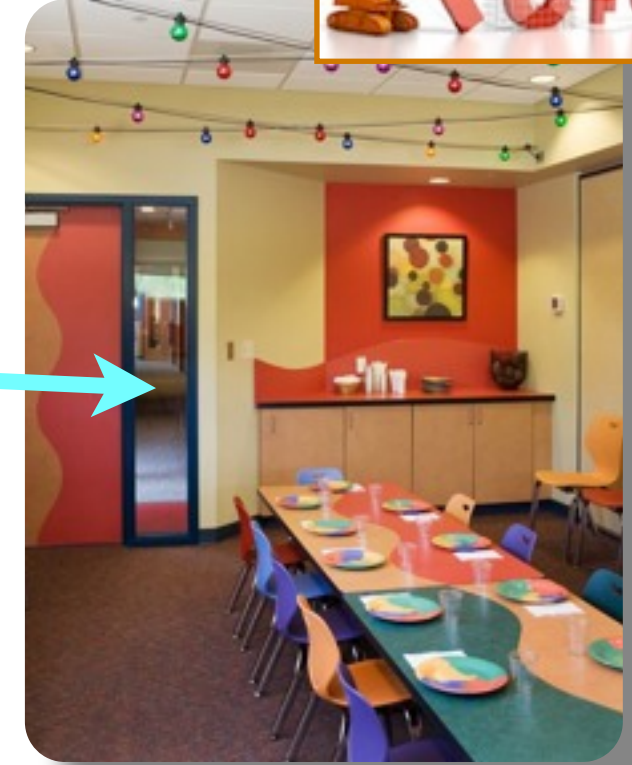
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The end of carnival



Omnichannel Entertainment



Convergence/hybridization of all types of location-based leisure.

Venues targeting smaller niche markets

Entertainment
Recreation
Cinemas
Shopping
Services
Meals/Dining
Informal Learning
Culture
Education







- ☑ Shift to adult-oriented venues
- ☑ New organization representing community-based entertainment
- ☑ Growth of upscale bowling-based venue
- ☑ Reservations
- ☑ More professional & sophisticated - limiting access for upstart entrepreneurs
- ☑ Group & celebration business greater importance

THANK YOU

Randy White, CEO



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