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FAMILY ENTERTAINMENT CENTERS:

BOWLING AND SKATING

The Foundation For A Recreational Phenomenon

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Editor's Note: Randy White presented the highly informative seminar on demographics and marketing at Leisurexpo '93 at Daytona Beach, FL, on January 22, 1993. His expertise in these two fields is reflected in this article on creating fun centers.

Family entertainment centers or FECs are to recreation what malls were to shopping — the next big thing. With

anchor attractions like bowling or roller skating, mixed with secondary attractions, FECs pull in more customers more often than any one kind of recreation can. If this sounds like competition, you better believe it is. But now for the good news: Your bowling center or skating rink can be the foundation for success in the FEC business.

FECs — participatory recreation cen-

ters with broad appeal—are springing up all over the country. FECs work like retail shopping malls in which department stores act as anchors, generating traffic for the specialty shops. Like a mall, an FEC usually has two or more anchor attractions and a variety of secondary attractions. Major participatory attractions like bowling, roller skating,

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soft play, miniature golf and iron rides pull in guests for impulse items like video and game rooms, food and beverage service, bumper boats and bumper cars, batting cages and go-karts. The scale and mix of recreation create a critical mass and synergy; the FEC's drawing power is greater than the sum of individual parts.

This strategy works like a one-two punch. While the major attractions are

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the initial draw, it is the impulse items that generate the bulk of income. The major attractions, like bowling or rolling skating, have timeless appeal, while the impulse attractions can be updated to keep things fresh for guests.

FECs can vary greatly in size and mix of attractions, but what some people call FECs are really just pool halls or bowling alleys with a facelift. One anchor attraction and a couple of video games do not an FEC make, and that approach won't get you the dramatic expansion of business so common to true FECs. While your existing recreation center gives you a great start, it's only part of the picture.

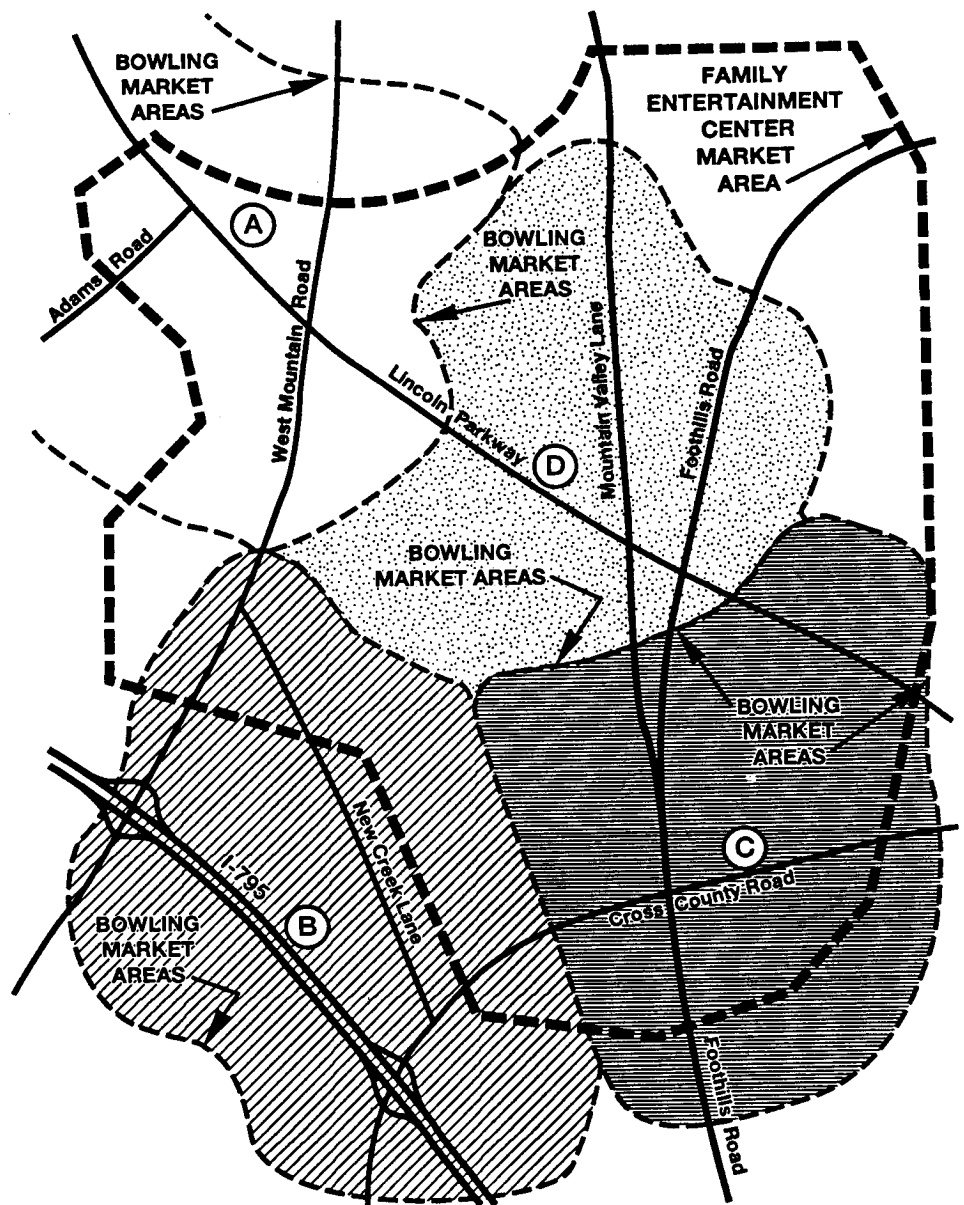
FECs Growing In Popularity

FECs aren't exactly new. They've been operating successfully in California and the Southwest since as far back as the mid-1960s. Today, their ability to deliver has boosted their popularity.

FECs come in several different formats, mainly depending on whether they're indoors, outdoors or a combination of both.

Some FECs are predominately outdoor-oriented, with indoor food and beverage service, game room and party rooms. These include some combination of miniature golf, go-karts, bumper boats and children's rides. The Celebration Station chain and American Adventures in Atlanta are examples.

Other FECs are totally indoors, either freestanding or part of a retail mall. Examples include: the Boardwalk in El Cajon, CA; the Enchanted Castle



Converting to an FEC can have a dramatic impact on market area and penetration. Bowling Centers A, B, C and D's market areas are shown. If D converts to an FEC, its market area blossoms and market penetration can more than triple.

in Lombard, IL; Sportsworld in Paramus, NJ; and River Fair in Clarksville, TN.

Like bowling, most FECs operate on a pay-as-you-play principle. Rather than charge admission, customers pay for attractions on an a la carte basis.

Upgrading to an FEC Solves Problems, Boosts Business, For Center Owners

When it comes to beating the competition, you have two choices: do things better than anyone else, or do things differently. If you use your bowling center or roller rink as the foundation, the anchor, to upgrade to an FEC, you've done both, and set yourself up for an unnatural share of business.

FECs offer specific benefits for owners of bowling centers and roller rinks:

- FECs make up for lost lineage

Upgrading to an FEC heads off one major problem facing today's bowling center. Customer lifestyles and time demands are changing. People simply can't commit to play in a bowling league these days. While leagues once accounted for 70% or more of lineage, that figure has sunk as low as 50% for some operators.

Casual play is not making up the difference. Only 12.8% of the adult population bowls more than once a year. Add other attractions, though, and you can broaden your appeal and expand your market reach or area as

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well. That's where the synergy comes in. The new attractions can boost lineage for bowling, and bowling makes a great anchor attraction for other forms of recreation. The whole is so much more than the sum of its parts. Bowling has timeless appeal for everyone from kids to grandparents, making it a perfect star attraction.

- Upgrading changes people's attitudes about bowling

Renovating and upgrading to an FEC also overcomes perceptions that have plagued bowling centers for well over a decade. Most Americans think "bowling alleys" are dark, dirty and smoky, decorated in dingy browns and oranges. Those perceptions could explain why so few Americans visit a bowling center even once a year. Upgrading to an FEC eliminates the stigma and reintroduces large segments of the population to the pleasures of bowling.

- FEC upgrade helps roller rink owners stave off competition

New entertainment options are giving roller rink owners a run for their money. Strong competitors for young customers include ShowBiz Pizza, miniature golf centers, pay-for-play centers like Discovery Zone or Leaps N' Bounds, children's indoor amusement centers like Jungle Jim's Playland and, of course, FECs.

Today, more competitors are dividing up the children's market pie and roller rinks can find their piece shrinking as their appeal declines. To stay competitive and retain their customer base, rink owners must offer variety.

- Baby boomers' kids a likely target audience

Now is also the time for rink owners to tap into the memories of baby boomers, who enjoyed skating when they were young and just need a little persuading to introduce their own children to the sport. Birthday and private parties are already an important part of rink business; upgrading to an FEC assures that rinks can offer the level of entertainment the modern customer expects.

- An FEC offers year-round business

We don't have to tell you that the bowling and skating businesses take a nosedive every summer. You already know what that does to your business. But if you upgrade to an FEC, adding outdoor attractions that pull people in during the slack summer months, along with non-seasonable games and rides, you have a year-round winner.

When you bring in customers 12 months a year, you can hire, train and retain a permanent, high-quality staff instead of downshifting to a skeleton crew during the summer. You can count on customer spending on food, games and year-round attractions where you've already made a capital investment.

- FECs expand your market area

To get a sense of the impact of converting to an FEC, check out the map. It depicts a segment of a large metropolitan area that contains four bowling centers, labelled A, B, C and D. All things being equal, their primary market areas will look like they're shown on the map. The areas are basically a function of drive times, travel patterns and

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physical and psychological barriers. But if bowling center D upgrades to an FEC, its primary market area blossoms.

- FECs increase market penetration

The impact isn't just on the primary market area. No, not only does bowling center D increase the number of its customers because it draws from farther away, but also because it appeals to a broad market and therefore increases its market penetration. Who loses? Nobody, except bowling centers A, B and C.

- FECs increase frequency for roller rinks

Like bowling centers, roller rinks that upgrade to an FEC reap dramatic gains in market area and penetration. But even more significant to rinks is the increase in frequency of visits. The diverse offerings mean that the experience stays interesting for customers, an interest that roller skating by itself has trouble generating. That means if another competitor shows up at your door-

step, you've increased customer loyalty by providing better value, and can fend off the attack.

Success Requires Knowledge and Planning

To upgrade to a thriving FEC requires an understanding on the strategy behind the upgrade. The first phase — concept development—is critical to assuring success. Mistakes at this stage can be disastrous.

To succeed requires addressing six important elements during concept development:

- Market analysis
- Facility scale, mix and layout
- Site layout
- Design theme
- Economics
- Operations and management

The bowling or skating center has to be integrated into the mix of FEC attractions, not just an adjoining component, to make the most of the synergy and to increase spending per visit. The right mix and a critical mass of attractions must be achieved for the public to see your place as an FEC, not just a

renovated bowling center or roller rink.

There's no generic formula that will work for your upgrade. Every market area, every group of customers is different, and you ignore those difference at your own peril. The mix, size, design, service level and pricing must be targeted to the specific customer groups within your market area. Your existing customer base has to be factored into the formula, and all competition, not just other bowling centers, have to be examined closely.

With the right mix and design, though, your bowling center or roller rink can be the start of something really big.

About Randy White

Randy White is a principle of White Hutchinson Incorporated, a Kansas City, MO, firm that assists recreation and family entertainment owners with market and feasibility analysis, economic and concept planning, design and center development management and operations consulting for new starts, remodels and turnarounds. Their proprietary Strategic Guest SatisfactionSM program is based upon the concept that customer satisfaction defines the business and facility, and has resulted in nationally-acclaimed, award-winning projects. ♦