

Outdoor Attractions Grow Profits

By Peter F. Olesen, P.E.

For seven to nine months a year most of the population is drawn to the outdoors to enjoy countless activities not possible in most indoor locations. This move certainly includes the attraction of outdoor FEC facilities. As this exodus from indoors to outdoors grows, many indoor FECs find their attendance dropping, while facilities that also include outdoor attractions reach their peak revenues.

The Attraction of the Outdoors:

A large segment of the population changes gear in terms of their entertainment pursuits. This is definitely true in terms of the move to participatory interests. Participatory refers to the individual controlling his/her actions and the performance of the attraction as opposed to riding on a controlled ride or watching an activity. Well planned outdoor attractions, such as go-karts, miniature golf, bumper boat ponds and other outdoor attractions are all very popular participatory activities and generate heavy attendance and revenues.

What many FEC developers fail to recognize is the appeal outdoor attractions bring to the table. In most of the United States and Canada the winter months bring with them competition from a wide range of school, church, professional sports, and other activities that are all competing for the public's disposable time. During spring, summer and early fall months the urge is strong to get outdoors to enjoy the weather. Major vacation activity, be it travelling or staying local and taking playcations or staycations concentrate on participatory activities, all of which serve to cure the cabin fever generated by the winter months over much of the United States and Canada.

Many people point to park districts and recreation departments as natural outlets for relieving "cabin fever." What they fail to realize is that the activities offered by the typical public agency program serves less than 20% of their population.

The typical programs they concentrate on, other than swimming pools, golf courses and in some instances miniature golf, for the most part are centered on sedentary indoor activities or team sports. These are not what the remaining 80 % of a typical demographic cross section seek to avail themselves of. Until they embrace the reality of participatory activities beyond their current program mixes, they will never see an expansion of their market penetration.

The excitement surrounding indoor attractions in recent years has somehow drawn people away from the proven success of outdoor attractions. Both indoor and outdoor operations have their place in the family entertainment industry. The opportunity to operate year around has an appeal to many people and has resulted in many people being convinced that indoor operations are the way to proceed.

In general the initial cost of creating outdoor FEC is far less than that of creating indoor facilities with comparable annual revenues except in high real estate cost metropolitan areas. There are some exceptions, such as finding existing buildings that can be leased at very low rates.

Outdoor attractions, such as go-karts, miniature golf, bumper boats, and zip lines all generate a strong appeal for those seeking participatory activities as opposed to sedentary sporting events. They can be enjoyed by individuals, based on each one's interests not as dictated by team rules. As a result, these people are drawn to FECs, which for the vast majority offer a wide range of participatory activities for individuals rather than teams.

Indoor Only FECs:

The large number of existing outdoor FECs dedicated to outdoor attractions, is a testament to their popularity and revenue potentials. Depending on their location, operating seasons range from five to seven months in the rust belt and from nine months to year around in the Sun Belt. Many of these facilities evolve into year around facilities as their revenues provide financial support for funding the addition of indoor facilities and attractions.

There are a large number of year around indoor FECs featuring bowling, electric go-karts, laser tag and expanded food and beverage service that have great success in locations where the availability and/or cost of sufficient space for outdoor attractions prohibit the inclusion of outdoor attractions. These larger facilities are usually developed in larger markets where the higher costs in terms of real estate, building costs, attractions and amenities are offset by the higher attendance and revenues that result from year around operation in these larger markets. This applies to both new construction and leased facilities.

Indoor- only operations have proven to be very successful in many markets. A large number of the current indoor FECs were made feasible due to the on-going and increasing availability of large empty retail, manufacturing and warehouse use facilities generated by the changing on-line retail habits of the buying public. Competitive leasing rate have dropped significantly in many areas, enabling many developers to create facilities that could not be feasible with new building construction.

When Expanding Indoors to Combined Operations Makes Sense:

A number of current indoor only facilities are located on property that can also accommodate outdoor attractions. These often have a very real potential of proving to be great additions to the overall success and profitability of a combined facility.

Magnet Attractions:

There are two outdoor attractions that can be considered to be magnet attractions as well as being able to operate successfully as stand-alone attractions. These are miniature golf courses and go-kart tracks.

Miniature golf has been around for well over 100 years and go-karts for more than 65 years. Both of these attractions have long and successful histories in terms of broad age group appeal. This is magnified by the fact that they are very participatory in their appeal to a broad age demographic 6 years to more than 85 years old.

Go-karts greatly increase the effective target market area by drawing significant numbers of additional guests from much greater distances. They will also attract additional new guests from the existing market areas as well. In most areas, the effective target market radius can be expanded by almost 30 miles

Many facilities lack a significant variety of attractions to draw and entertain older family siblings and adults. Go-karts are by far the most widely used attraction having such a broad demographic appeal.

Cost of Attraction Concerns:

The high through-put volumes and resulting revenues result in go-karts being among the best revenue generators, not only for their resulting revenues, but for the expanded spending on the other attractions the facility has. This is especially true when one considers the widened target market the outdoor attractions create. Reaching a larger market increases attendance and resulting revenues.

While the initial cost of constructing a track and purchasing go-karts may be higher than many other attractions, this is an investment that has a much longer "shelf life" than most, if not all of the other major attractions in use today. The cost of a track may seem like a lot of money, but properly constructed, with minimal maintenance, it

has a potential of remaining functional for 40 years or more. The major replacement elements will be used automobile tires for the track safety barriers. Many tracks see their tires last up to 20 years before replacing them. Occasional application of agricultural tire dressings (available in large containers at lower cost) on the exposed sidewalls can help to further the tires' service life.

Properly maintained, go-karts have a long service life. They also have a reasonable resale value when facilities upgrade or modernize their kart fleets.

Impact on Remaining Attractions:

While some people may express concerns that go-karts cannibalize revenues from other attractions, the opposite actually occurs due to the karts serving as magnets for many guests that would not be sufficiently motivated to visit the facility unless go-karts were a part of the attraction mix. This is true not only for people within the no-go-karting market but for the expanded radius of the kart target market.

The Best FEC Concept:

There really isn't a single concept that is best for every location or market. Circumstances evolve constantly, including market attention span, the economy, possible new competition, the weather, etc.

The ideal FEC is one that is well planned, effectively managed and recognizes and serves the evolving demand of the market place. For most it combines both outdoor and indoor attractions, permitting year around operations that benefit from the best of both concepts. The combination allows the facility to better match the ebb and flow of seasonal demands and changing guest interests. Having year around operations enables many facilities to retain quality full time employees, keep their brand exposed to their target market.

Success in the Real World:

A few of us are born wealthy, become professional sports or entertainment stars, win the Power Ball, create a winning product by accident or discover oil. The rest of us must depend on our own efforts and commitments to become successful.

Regardless of the type of operation one selects there are certain realities to keep in mind if you are really committed to succeed. These are that you are not your guest (keep in contact with guest expectations and preferences), great guest experiences generate repeat visits and profitability and your success is often tied to your worse employee(s). They are the face of your operation as far as the guest experience is concerned. Always keep in mind "success is the product of good effort."

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