

Why Indoor/Outdoor Combination is the Ideal Deal for FECs

By Peter F Olesen, P.E.

After making a number of seminar presentations around the country I've come to the conclusion that a sizable segment of the FEC industry has little or no comprehension as to the value of including outdoor attractions in their total mix.

Major Benefits of Indoor/Outdoor combinations:

Adding outdoor attractions increases the positive attraction of guests from your entire target market just from providing a release from the cold season generated "cabin fever." Having expanded your total effective market range by the addition of outdoor attractions and offering a wider range of attractions, your facility will be attracting additional guests, resulting in the following:

- **Expanded target market area**
- **Increased total annual attendance**
- **Increased average lengths of stay**
- **Increased per-capita spending**
- **Increased total revenues**
- **More effective use of employees**

Modern Indoor Facilities:

The siren appeal of food and beverage combined with indoor attractions, such as bowling certainly has attracted a large following. The expanding demand for out-of-home socialization outlets will continue as long as the economy is at all reasonable' or until some other as yet undeveloped form of social entertainment comes to the fore. The industry has many success stories. Properly located, planned and funded; there is no denying there are many successful ventures out there and there will be more. Having said that, there are many markets that may not have a sustainable demand for capital investments of the magnitude associated with the growing number of adult oriented entertainment ventures seen today.

Many of these lesser markets could prove feasible with a change of direction to develop combined indoor/outdoor family entertainment facilities having lower development costs and higher combined revenue. No other venue can as effectively address the high demand for participatory attractions that exists throughout the country.

While many indoor facilities are based in locations that have no outdoor areas that can be utilized for outdoor attractions, other facilities have been developed on larger sites that could easily accommodate outdoor attractions, but the operators have not done so. For many it was strictly a question of available funds, but having talked to many others, it turns out they had never been exposed to the potential benefits of incorporating outdoor attractions into their mix. Some industry consultants themselves seem to have little knowledge of the potential benefits that can be derived through adding outdoor attractions.

Combining Indoor/Outdoor Attractions:

Before ignoring the inclusion of outdoor attractions, potential developer of indoor facilities should at least pause to seriously consider the option. Current operators of many large combination indoor/outdoor operations are currently expanding their go-kart facilities due to the expanded market

area they create by the inclusion of these widely popular elements and the outstanding revenues generated.

Using go-karts as an example, their inclusion in the overall attraction mix can result in doubling the travel distances many guests consider reasonable, if the mix included go-karts. The reason for this is the fact that concession go-kart riders will travel 35 miles or more to visit modern go-kart tracks, a far greater travel distance and travel time than experienced by the other attractions normally found in FEC and bowling/food and beverage/indoor attractions facilities. The impact of this increased target market area results in new guests being drawn to the facility that will also spend money on the other attractions, as well as attracting additional guests from the existing target market area that may not be drawn by the indoor attractions. The addition of go-karts and other outdoor attractions will result in greatly increasing summertime attendance for guests not wanting to be inside during comfortable weather. These added attractions will contribute to longer stays, increased per capita spending and an increase in the travel times guests will consider reasonable.

Miniature golf, bumper boat ponds and other outdoor attractions by themselves may not have the long distance travel attraction of go-karts, but they definitely benefit from, and contribute to the overall revenues when a part of the attraction mix. Miniature golf has been around for more than 100 years and has the widest age demographic appeal of any attraction.

Greater Guest Expectations:

Over the past 25 years or so, there have been gradual but ongoing changes in the out of home entertainment environment as seen in the movie, bowling, skating and related venue. The public has grown to expect more variety and quality in the options available for the consumption of their disposable time and income. Disposable money can be replenished, disposable time cannot. While one may be able to schedule a new experience in the future, the time each of us has already expended in any endeavor, has gone forever. This is reality and applies to each and every one. Providing better experiences for the commitment of disposable time is an obvious formula for success, and should be one of the driving motivations behind our following our dreams. The creation and delivery of these experiences is the foundation of any successful entertainment venue.

Sound Planning is Crucial:

Hopefully no one plans to fail. Unfortunately the steps many people take by not planning carefully result in a path often destined for abrupt failure in many cases, and gradual but certain long-term collapse in others. **["Failed to Plan" so we actually "Planned to Fail"]** could well be the final epithet of many ventures in every industry. It is even more so in the family entertainment industry.

Copying someone else's business model without seriously evaluating it, is like copying someone else's quiz answer in school. Sometimes you are lucky, sometimes not. Take the time to really know your options, time is precious, use it wisely. If you are serious about entering the industry, do it as right as possible the first time. Know your limitations in terms of what you can reasonably undertake in terms of yourself, your financial capabilities and the time you have available. Be realistic; develop your project team to include people that can cover your shortcomings (areas of inexperience or lack of expertise). Talk to industry professionals to expand your knowledge.

Cover Your Bases:

If you don't have a strong personal commitment and drive to move forward, perhaps you have chosen the wrong field of endeavor. To succeed in any endeavor also takes common sense, judgment, perseverance, patience and wisdom to change when circumstances require.

Know your Market's Expectations:

Throughout history mankind has sought to gain personal satisfaction and entertainment from individual accomplishments. For many this evolved into "team" participation. Not everyone is motivated by the desire to collectively achieve victory over others in seeking personal gratification for achievement. Experts can wax eloquent over the drives and satisfactions gained through team or individual competition. I don't claim to be an expert on human motivation. I'll leave that to others. What I will speak out on is the reality that only about 15 to 20 percent of the individuals within a typical community participate in organized activities be it team sports and similar activities in school, park districts or municipal programs.

In recent years we've seen a strong movement for renovating, revising and rebranding existing bowling facilities and cinema complexes to attract a younger, more diverse guest profile that has more sophisticated and greater expectations in terms of the entertainment venues they deem appealing. Several existing attraction concepts remain at the forefront. These include go-karts in a number of modern design approaches and miniature golf. A number of other attractions have shown promise in given locations.

Planning a well thought out mix of indoor and outdoor attractions to better serve most markets has always seemed to be a "no-brainer" when a site is large enough to contain both. While there is always some cannibalization between attractions, this is offset by the increase in total annual guest attendance and resulting revenues.

Over the vast majority of the North American continent there is a strong reason to give serious consideration to providing an outdoor experience for that sizable portion of the population that doesn't want to stay inside the entire year. In the north this includes, weather permitting, outdoor activities from April through October. In some years this period may expand or contract depending on actual weather patterns in any given year and region.

Specific Site Selection Considerations for New Facilities:

We have written detailed articles exploring the selection of specific sites, so we will just list some specific elements that must be given serious consideration as part of your total planning process.

- Carefully define and Identify your target market
- Is it sizable enough to assure potential success
- Avoid saturated markets already effectively served by existing competition
- Create the right mix of attractions and amenities to appeal to your specific target market
- Carefully select your specific site
- Site location within effective target market area
- Acceptable neighborhood
- Ease of reaching facility from all areas of market
- Suitable roadway network
- Visibility from adjacent roadway(s).
- Sufficient space for proposed attractions and potential expansion
- Appropriate zoning

Whether you determine to develop an indoor facility or a combined indoor/outdoor facility, we wish you success. Do it carefully and you won't need luck.

Peter is president of Entertainment Concepts, Inc. (formerly Peter F. Olesen and Associates, Inc.). He is a licensed professional engineer in several states, with more than 40 years of experience in the family entertainment industry. He founded the firm in 1984 and in the ensuing years has been responsible for the development of more than 500 separate family entertainment industry projects located in 43 States, Brunei, Canada (Alberta, British Columbia, Ontario and Quebec), Cuba (Guantanamo Bay), Kazakhstan, Mexico, Puerto Rico, Saudi Arabia and Vietnam.

These projects have spanned initial concepts, feasibility studies, assistance in developing business plans, final design and preparation of contract plans and specifications, construction layout and related services for both new projects and existing facility renovations and modifications.

He has made presentations at a wide range of industry seminars, including the annual International Associations of Amusement Parks and Attractions annual Attractions Expo, Fun Expo, Leisure Expo, Kart Expo, The State of Ohio bi-annual Kart Safety Seminars and 43 sessions of Foundations Entertainment University Seminars. In addition he has written numerous articles for industry magazines and internet magazines and news letter. He also is a member and active participant in many engineering and entertainment industry associations.

Copyright 2017 Entertainment Concepts, Inc.