

Boosting Flat or Dropping FEC Revenues

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You've opened your facility and been in operation one to two years and your attendance and revenues appear to have leveled off, or in some instances dropped slightly as the initial community curiosity has been satisfied. Does this mean that your maximum attendance and revenues have peaked? Before you decide this is the case, take a close look at the decisions you made initially. Seriously evaluate whether they were the right ones at the time, and if they would be the best ones today. Are there steps you can take today to make changes in your approach that could result in your attendance and revenues growing in the future rather than dwindle. If so, addressing the situation honestly and with a commitment to turn your project around, you may well redefine your goals and course of action to move forward in a positive direction and accomplish success.

Possible Reasons for Losing Attendance and Revenues:

There are many potential causes for any project to cease growing or in some instances to fail drastically. The reason(s) may include one or more of the following:

- Failure to create complete facility and a major component is missing.
- The mix of attractions is not balanced enough to attract family groups.
- Perhaps your facility is not effectively presented to the adjacent roadways.
- A wrong mix of attractions was constructed.
- Too few attractions were included.
- Missing impulse attractions.
- The mix of attractions targets to narrow an age range.
- The wrong location was selected.
- The wrong marketing approach is being used.
- Pricing of the attractions too steep.
- The facility is not being maintained.
- Equipment in disrepair.
- Poor staff training.

While the above are all potential reasons for flattening out or losing attendance and revenues, many operators fail to identify them as being part of their problems. Take a good look at each element listed above and make certain they don't apply to your facility, or make certain you correct any that do apply.

There are problems that you may not have a ready solution for, such as:

- Bad weather over extended periods of time.
- Road construction adjacent to your site or along the major transportation corridor serving your site.
- Flooding.
- Local economic conditions.

To accommodate those problems you do have control over, think outside the box. Try to generate programs, events or price modifications that can make the extra efforts by potential guests worth it. Each situation is different and no one solution fits all situations. Where these steps aren't sufficient, be prepared for more drastic steps.

Depending on the seriousness of your problem there may be several steps you can take within the parameters of your existing facility. These include the following:

- Offer attractive price packages rather than dropping your individual pricing. Try to package your most effective attractions in such a way that you can maintain a level of profitability.
- Adjust your open hours (and possibly days you are open) in a way that you can effectively manage your labor and overhead costs.
- Try to erect signage that can help direct business to your facility.
- Add one or more impulse attractions to your mix.

Before taking any steps at all, please read those specific elements of the following that apply to your situation;

Failure to Create Complete Facility and a Major Component is Missing;

This is far more prevalent than one would think. Many projects are started with construction budgets that don't allow for glitches in schedules, delayed deliveries, unforeseen problems with the site, weather operations, work stoppages, unreasonable inspection stoppages, price changes, no money set aside for initial months of operations and in some instances stoppage of agreed upon funding.

A perfect example is developing a plan that calls for both indoor and outdoor attractions and for many reasons not completing the indoor component. This often leaves the guest availing themselves of the completed outdoor attractions without an air-conditioned area in which to recuperate on hot days, which have certainly been prevalent the past few years over much of the country.

Not only does this remove the revenue generating attractions included in the indoor mix, it also results in many guests giving up their outdoor visits because of the heat. Failing to provide even a reduced indoor facility can be disastrous to many outdoor attractions. There are options available to at least address the recuperation element that won't take exceptionally high amounts of money. This could include using a portable office trailer with restrooms and an area where people can congregate at least for short segments of time. Another option would be constructing a two car garage building and modifying it into a point of sales building with space and possibly a few redemption games.

As a result, while projects may have proceeded to the point where they could open, the resulting product is less than originally conceived. In some cases the resulting "finished product" is less than conceived but still functional, while others have gaps that have an ongoing negative impact on the resulting attendance and revenues.

In order for many facilities that find themselves in this situation to survive or succeed it is important to make lemonade out of a lemon. This may not be easy for many reasons, most of which revolve around money or the lack thereof.

Careful consideration of all possible avenues should take place before shutting down, changing directions, filing for bankruptcy or other drastic step. Hopefully most of the projects had at least some plan for success that could still be rescued with perseverance.

For many, the decision is made to ride out the situation as it evolved, without attempting to re-direct the project in a positive direction. This may be because of lack of funding, or lack of commitment. Both of these are real situations and may result in the continued slide toward failure and closing up shop.

Before taking such a step, go back to the original concept and the steps that were taken to determine whether or not there may be steps that can be taken to get the project moving in a prosperous conclusion rather than failure.

Often there may be one single decision that has proven to be a major reason for a project bogging down. Maybe some moderate steps can be taken that will open the project to a successful future. Egos must be forgotten in order for most decisions to be modified or reversed. We are all victims of our personal egos at one time or another. Admitting to an error in judgment is one of the hardest things for any of us to do. There comes a time when this is the only real solution in order to move ahead with any chance of success.

The Mix of Attractions is not balanced enough to Attract Family Groups:

The greatest challenge in establishing the proper mix of attractions for your target market is the challenge of selecting the right ones actually to create a workable mix.

Certain attractions have a broad age appeal such as miniature golf, go-karts, bumper cars, bumper boats and mini-lane bowling. Others are far more restrictive in age ranges. While targeting specific age ranges for indoor facilities has worked well in larger markets, it usually has been a combination of attractions that has proven to better attract repeat business as well as impulse visits.

Whenever you seek to have a package appealing to the younger market it is important to recognize shorter attention spans in creating a working mix. Having a variety of attractions also increases the ability to handle individuals and groups.

The smaller your market the more difficult it is to operate as a single type of attraction that only appeals to a small age range. Some facilities try to appeal to young mothers with toddlers while others target the eight to ten market.

As families grow their composition may grow, but most certainly the desires of the individual members will change as they mature, having an effect on their entertainment choices.

This fact is certainly important in that you may have to add attractions to address the aging of existing guests while at the same time recognizing that you will continue to add new young family units that will continue to have a desire for the young mix already in place. Most families comprise different age groups with different desires with respect to the attractions offered, and you can't have an endless mix. Try to identify the mix that can best serve your target market.

It is still better to have fewer attractions that appeal to your market than a large mix that may consist of many that don't.

A number of facilities have attempted to broaden their appeal by introducing carnival or flat rides into their mix. This again has varied appeal from market to market. We strongly suggest that this be an avenue you explore carefully, as there are many potential downsides, including high maintenance, less repeat business, greater potential liability and a higher staffing demand.

Your Facility is not Effectively Presented to the Adjacent Roadways.

Failure to have a significant presence on the adjacent highway or street is a sure way to lose impulse guests. For some facilities this can be a major loss of potential business, especially in areas where the traffic has a high percentage of tourism traffic. It can also have a sizable impact on the number of commuters that may ultimately become guests because they become aware of the facility because of the signage. Not every facility has a good exposure to the traffic passing by on the adjacent highways. This is especially true of facilities that may be located several hundred feet from a major thoroughfare or freeway.

A Wrong Mix of Attractions was Constructed:

This is especially true for those facilities developed by individuals that chose to build what they or their families liked in the way of entertainment. One of the most important “facts of life” is the fact that “you are not your customer or guest.” Failing to thoroughly review the market and potential successful attraction mixes has led to the failure of many facilities around the country. This is far more prevalent among facilities that were developed without the input of experienced and qualified consultants.

Before attempting to rectify a bad mix, take the time to investigate what can realistically be done to correct initial miscues.

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Too Few Attractions were Included:

In seeking to serve a given target market, it is important to create an attraction mix that will attract more than the most ardent specific attraction fan. The mix of attractions should create a realistic time commitment of at least one hour in order to draw people from more than a fifteen minute driving time. Most FECs try to target people within a one half hour driving time by providing a mix of attractions that result in a one and one half hour stay.

Take a close look at the modifications you would have to make to fall within that set of parameters. Be certain that the mix has a broad appeal to the people within your market area when considering adding attractions.

Missing Impulse Attractions:

Failing to include impulse attractions among the more popular anchor attractions can result in sizable incremental revenue boosts that can often make the difference between success and failure. The addition of impulse attractions alone will not rectify any major attraction gaffs, but can serve to help the addition of effective anchors.

Mix of Attractions Targets too Narrow an Age Range:

We can go all the way back to Discovery Zone, which initially exploded around the country as one of the first entertainment facilities, but soon found itself in serious financial trouble because they had limited appeal beyond their immediate demographic (as a matter of fact they were resurrected and failed at least three times. They were among the first of many other large and small facilities that failed completely or at least failed to meet their expectations due to the fact that they were designed to appeal to too small a market and they offered a type of attraction that could easily be emulated on a smaller scale and offered as a free amenity in the fast food industry.

Many other types of attractions have been developed as stand-alone facilities that could not stand by themselves or could not generate the revenues the owners anticipated. This includes batting cages, bumper boat ponds, and in some cases even miniature golf and go-karts, especially when other FECs were developed within their target market area.

Many of these mistakes could be rectified if sufficient space for expansion and funding for accomplishing the changes were available.

Wrong Location Selected:

This is always a concern, but once you have opened your facility it is very hard to seek out another site to start over, especially if you aren't already independently wealthy. Try to find ways to compensate for a bad location. Increased marketing to better acquaint the surrounding community with your location is one way to increase awareness.

A number of facilities have failed because the owners developed an existing property they owned or one they got at a bargain price, rather than giving full consideration to easy access, visibility and soundness of the surrounding market. There may not be a realistic way to salvage many of these. Discuss this with an industry professional.

Wrong Marketing Approach is being Used:

Keep tabs on your marketing to be certain you have a program that actually generates new business. If not, drop it. Obtain as many e-mail addresses from guests to allow you to build up a data base for e-mail oriented marketing.

Pricing of the Attractions Too Steep:

You must make certain that your pricing structure meets the needs of your primary guests. Moderate income communities will demand a lower pricing structure than an upper income community.

Facility is not being Maintained:

Most people react very poorly to dirty, poorly maintained facilities. This starts with your parking lot, the appearance of your dumpster, the condition of your buildings, signs and fences, as well as your equipment. Are your games clean, rides washed, floors and walkways clean. How about grass being mowed, leaves raked, weeds pulled and shrubs pruned? Is the water in your pond, pools and streams clean?

The impression given by messy, unclean facilities can be devastating. Almost all guests will have some level of dissatisfaction with dirt and debris and other issues that may make them uncomfortable.

Equipment in Disrepair:

Equipment that isn't functioning correctly represents lost income and ultimately lost guests. There is no excuse if you intend to stay in business. Remember, most people seeing faulty equipment and having to wait to use other equipment are often lost forever. Worse than that, they pass on their displeasure to others.

Poor Staff Training:

Failing to properly select and train staff members is probably one of the biggest mistakes an owner can make. It can cause you to fail more rapidly than bad attraction selection or any other reason.

Your staff is you in the eyes of your guests. A poorly trained staff can drive business away in a heartbeat. When people enter your facility, unless you personally greet and attend to each guest, the guests equate the service they receive from your staff as being the service you want them to receive. If they have a great experience with your staff and the attractions within your facility they walk away feeling good and are disposed to return. They will also pass on their satisfaction to others, but not nearly to the extent they will if they were displeased.

You can never satisfy everyone, but make certain your staff is well trained and constantly reminded the difference between customers and guests. Training is not a onetime event, people become complacent or forget. The salient points of your training program must be repeated time and again.

Do not retain employees that don't have a positive and happy attitude. Find creative ways to reinforce the positive actions of staff members. Encourage all employees to be ambassadors of happiness and don't keep dispensers of doom. Retaining malcontents is a sure-fire way toward failure.

Conclusions:

As can be seen in the above discussion there may well be ways to turn a project from failure to success, but it won't be easy. Don't automatically give up unless you feel you have addressed all potential avenues.

If you do decide to make an effort to regain the potential for success, don't do it alone. Check out the options before you make any serious moves, including one of the most important ones, which is working with an experienced and qualified industry consultant.

This writer will answer questions you have concerning the statements made herein and how they may apply in your specific situation, but don't expect to get a final resolution without starting with an open mind and the recognition that it is going to cost money.

May yours be a situation that can be turned around and have a successful conclusion.

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