

Entertainment is now a mixed drink



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*As an industry
we must adapt to
lifestyle changes
and evolving
multipurpose
entertainment
villages that meet
the needs of
today's consumers.*

2007 is shaping up to be the year everyone starts thinking out of the box. Gone are the days of building just an "entertainment center." Today the hot ticket is to combine entertainment with one or more activities to create a multi-attraction venue.

All kinds of combinations are surfacing, from entertainment-packed bowling centers to athletically focused complexes with full-scale food and entertainment operations. Many of these designs represent a response to what we've all become: upwardly mobile singles and families intent on living active lifestyles. Not so sure? Take a look around.

WHO IS THE CUSTOMER?

When I was growing up (back in the '70s) everything was a luxury. The idea of eating out every week or going to the mall arcade more than once a month was a big deal. Funny thing was I grew up in a middle-class family.

Now fast-forward about 30 years. Americans, regardless of class, now eat more meals out of the home in one day than I did in one week. If you're not already driving a luxury car today chances are it's a "near luxury" vehicle according to the manufacturer's standards.

Here again, economic class has no bearing; luxury items are available to anyone and everyone, with a payment schedule to match. Can't pay for it today? No problem, you'll get terms up to 40 years.

Want more monthly bills? No problem, just add Tivo, caller ID, cell phones, PDAs, high-definition television, and the service agreements that correspond to each one.

Your child certainly can't show up at school without the required \$100 sneakers (shoes) or a messaging device of their own. And summer

camp is now \$5,000. Effective marketing makes all this acceptable, but more importantly, it has raised the bar for who the consumer is and what the consumer wants. This, my friends, is our real competition.

APPEALING TO TODAY'S CONSUMER

One of the reasons why so many entertainment venues have combined offerings is the continually variable mindset of the consumer. They expect variety, and they want to park the car once and cover as many bases as possible.

A year ago I had mentioned that we piloted a program in some of our clients' venues that incorporated free-standing sales kiosks filled with basic needs items, everything from lip balm to skin cream. The result? Wiped clean. Consumers bought everything. Why? It just wasn't "worth" saving the extra buck by going over to Wal-Mart. Thirty years ago it was.

The lesson I learned was this: Discover what your customer needs and lay it on thick. Still not convinced? Think about this: Decorative furniture is being sold in upscale food stores now. If it's convenient chances are someone will buy it.

ADDING CONVENIENCE

If you're a member of a family with younger children you've grown accustomed to driving around the Earth, chauffeuring the little ones from one activity lesson to another. The fact that each of these activities is located on opposite ends of the planet just adds to the pleasure of driving your near-luxury car while chatting on the hands-free with PDA in hand.

Fortunately, all the fast food places have drive-through lanes. Let's face it: We're a busy society. Imagine if your children's activities or lessons were



concentrated in one destination, the entertainment hub, where the kids could do their thing and you could do yours.

Meet the new "Lifestyle Entertainment Complex." Park the car, drop the kids at their karate and ballet lessons, jump over to the fitness center for a half-hour and stroll to

nately, when a project experiences cost overruns during development needed funds are often pulled from the only line item category still standing: marketing. This puts incredible pressure on a new business at its most difficult time.

Now imagine that this same business is positioned alongside four or

It's novel, unique, and, most importantly, powerful.

Imagine trying to compete with an entertainment hub. Run it like a condo complex and everyone can appropriately share in the expense load.

FORECASTING DEMAND

One thing's for sure: We live in a society that's going through quite a bit of change. To me it feels like a social revolution. Be who you want to be and participate as you like; the rules are a little loose.

As entertainment operators if we're going to compete successfully in our markets we've got to keep moving up to the next level. Retail has already made the switch. Now it's our turn. It's sure to make for quite a cocktail.

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the Panera Bread pocket store for dinner to go.

Now layer in a few more varieties into the complex: physical therapy for sports injuries, manicure and tanning salons, retail pharmacy, and perhaps a dry cleaner. The anchors? Probably a full-scale family entertainment center (FEC), upscale bowling lounge, indoor recreational field house, and maybe even an ice complex or indoor water park.

Many would see these venues as competitors but I'll encourage you to view them as companions because together they produce a draw that is different or impossible to replicate in a stand-alone fashion. There's real power in numbers.

ENTERTAINMENT LINKS

During the course of any year I probably speak with 150 new developers, each looking to establish their own individualized venue. As we all know, creating a business from the ground up has its own challenges, not to mention the struggles associated with the costs of building or renovating structures in 2007 dollars.

Almost everyone is rightfully concerned about having sufficient dollars available on D-Day for high impact marketing and promotion. Unfortu-

five other entertainment styles, all centrally located within an entertainment village. Included within the village are all the high frequency mini retailers we discussed above.

Functioning as an entertainment hub the venue will establish a broad scale marketing approach not unlike how many of the new lifestyle malls promote themselves. But there's one interesting twist: While retail in general is getting a bit mature, lifestyle entertainment is a babe in the woods.



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Amusement Entertainment Management, LLC



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