Attractions are no longer enough

How competitive advantage has changed for location-based entertainment

For much of the past three decades, the formula for success in community location-based entertainment was relatively straightforward. Operators competed by adding better attractions. Bowling centers added laser tag and arcades. Family entertainment centers installed climbing walls, virtual reality, and escape rooms. Restaurants added game rooms. New entertainment categories emerged around golf, darts, axe throwing, pickleball, and immersive experiences. The underlying strategy remained remarkably consistent: build something consumers could not experience elsewhere, and they would come.

It was a strategy well suited to its time. Entertainment options were relatively limited, especially outside major metropolitan areas, and successful attractions often enjoyed years of competitive separation before imitators appeared. Capital investment became the industry's primary growth strategy because adding attractions generally brought more first-time visitors, stronger revenues, and a larger market share.

Today, the marketplace is fundamentally different.

Consumers have not lost their appetite for experiences. Americans continue to spend heavily on travel, concerts, spectator sports, dining, recreation, and leisure. Younger generations consistently prioritize experiences over possessions, while communities across North America continue to invest in entertainment districts, public gathering spaces, festivals, and experiential development. Demand for experiences remains robust.

Yet many mature location-based entertainment businesses are finding it increasingly difficult to sustain long-term growth. Operators frequently cite intensifying competition, higher customer acquisition costs, mounting pressure to refresh facilities, and greater difficulty maintaining repeat visitation. Busy weekends and a healthy birthday-party business often mask a more fundamental issue. Mature venues are simply generating less inflation-adjusted revenue than they once did.

The clearest evidence that this is more than an isolated observation comes from the financial performance of the industry's three largest publicly traded operators. Dave & Buster's, Lucky Strike Entertainment, and Topgolf have all experienced significant declines in inflation-adjusted comparable-location sales since 2019. These companies operate different concepts and are managed independently, yet they all show the same broad pattern of declining same-venue revenues. Together, they suggest the industry is facing a structural shift rather than a company-specific problem.

One might reasonably conclude that consumers have become less interested in location-based entertainment, yet the evidence suggests otherwise.

Consumers still value experiences. What has changed is the number of experiences competing for their discretionary time.

The competition has expanded

Twenty years ago, a family deciding how to spend a Saturday afternoon or a group of friends planning a Friday evening often chose from a relatively short list of options. Today, those same consumers can choose from a wide range of options, including golf entertainment venues, pickleball venues, breweries, wineries, chef-driven restaurants, food halls, escape rooms, immersive exhibits, seasonal festivals, community events, sporting events, concerts, and an almost endless variety of local activities. Even shopping districts increasingly compete through programming and live entertainment, while improvements in home entertainment continue to make an evening at home more appealing than it once was.

The experience economy has expanded dramatically, but so has the competitive landscape.

Bowling centers no longer compete primarily with other bowling centers. Family entertainment centers no longer compete only with other family entertainment centers. Every business that offers people an enjoyable way to spend an evening with friends, celebrate a birthday, entertain visiting relatives, reward employees, or create family memories is now part of the competitive landscape.

In other words, location-based entertainment businesses are no longer competing primarily against similar attractions. They are competing for consumers' discretionary time.

That creates a much more challenging environment because discretionary time is limited. Every evening spent at one venue is an evening not spent somewhere else. Every birthday party, corporate outing, family celebration, or date night now competes with dozens of alternatives. Consumers are still purchasing experiences, but they are spreading those purchases across a much broader range of options.

As a result, repeat appeal has declined. Consumers increasingly want something new and different rather than simply repeating the same experience. A great experience is still valued, but once guests have enjoyed it, many begin looking for another enjoyable experience elsewhere. The challenge is not dissatisfaction. It is that consumers have far more attractive alternatives competing for their next outing than they did a decade or two ago. One-time events, seasonal festivals, pop-up experiences, and limited-time offerings continue to gain share because they promise something different from the last outing rather than more of the same.

For operators, that fundamentally changes the challenge. Success is no longer measured simply by visitation. It is measured by repeat appeal, the ability to give guests fresh reasons to choose your venue again without adding new attractions.

This brings us to perhaps the most important strategic shift facing the industry. For decades, attractions were the primary reason guests chose one venue over another. Today, they are increasingly just one component of the overall value proposition.

That does not mean attractions are no longer important. Great attractions remain the price of admission. They create awareness, attract first-time visitors, and establish a venue's credibility. Without compelling attractions, operators will struggle to compete. The difference is that attractions alone rarely provide a sustainable competitive advantage anymore.

A competitor can usually build a similar attraction, renovate a comparable facility, or install similar technology. What has become much harder to replicate is everything surrounding the attraction that influences whether guests choose one venue over another and, more importantly, whether they return.

Understanding that distinction changes the question operators should ask. Instead of asking, *"What attraction should we add next?"* they should first ask, *"What gives guests a reason to choose us in the first place, and what gives them a reason to choose us again?"*

To answer that question, we first need to understand how consumers make entertainment decisions today.

The occasion has replaced the activity

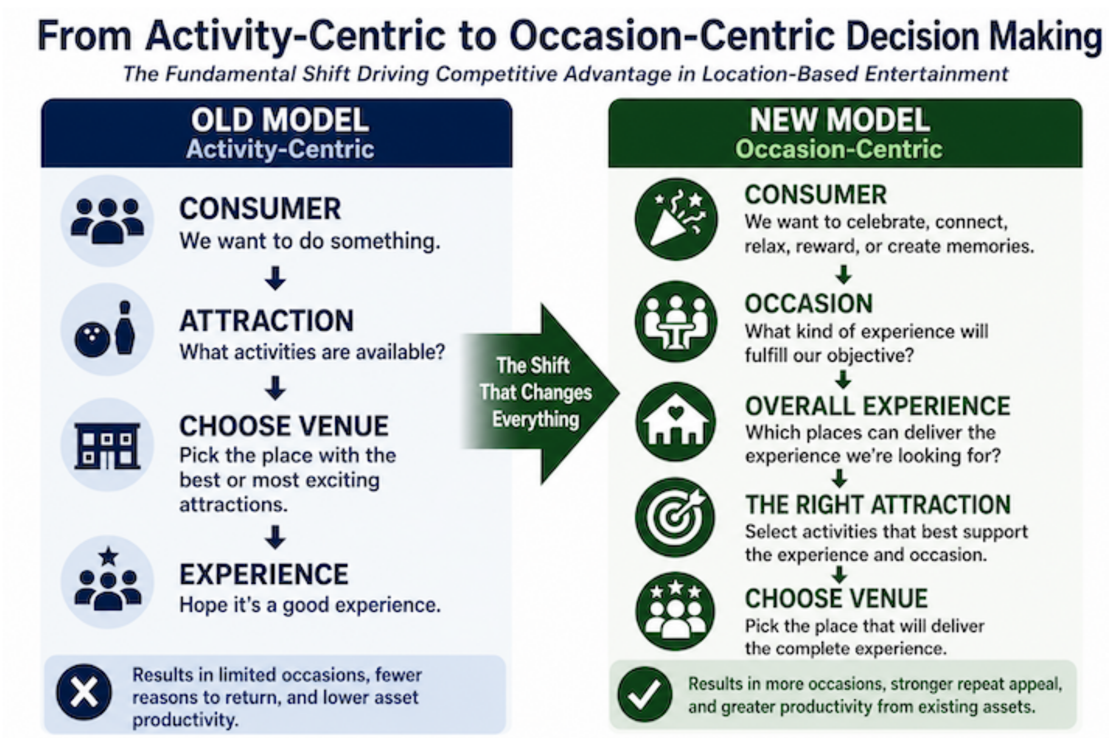
The way consumers make entertainment decisions has changed just as dramatically as the marketplace has.

Twenty years ago, many entertainment decisions began with an activity. Families decided to go bowling. Teenagers wanted to play miniature golf. Couples chose to see a movie. Once the activity was chosen, selecting a venue was relatively straightforward.

Today, that decision-making process is often reversed. Most consumers begin by considering what they want to accomplish rather than what they want to do.

Parents are looking for a memorable birthday party that's easy to host. Friends want an enjoyable evening where everyone in the group can have fun. Couples are planning a date night. Coworkers are looking for a place to unwind after work. Companies are organizing team-building events. Grandparents want an activity the whole family can enjoy together.

The attraction matters, but it is no longer the primary objective. The objective is the occasion. Bowling, darts, arcade games, golf, escape rooms, and other attractions are merely means to that end. That distinction fundamentally changes how consumers compare venues.



That also changes how attractions should be evaluated. The best attractions are no longer simply the newest, biggest, or most technologically advanced. They are the ones that best support the occasion guests are seeking. Attractions that encourage conversation, participation across skill levels, shared experiences, celebration, and social interaction often deliver greater long-term value than those that offer only a few minutes of individual entertainment. In today's marketplace, how well an attraction supports the desired occasion has become as important as the attraction itself.

Parents organizing a birthday party rarely compare only bowling centers. They may also consider trampoline parks, children's museums, zoos, indoor playgrounds, amusement parks, water parks, farms, restaurants, or even hosting the party at home. Likewise, adults planning a night out may compare bowling with restaurants, breweries, wineries, concerts, live theater, pickleball, sporting events, seasonal festivals, or simply inviting friends to their home.

The attraction has become just one factor in the decision-making process. Consumers increasingly evaluate the entire experience by asking questions such as:

- Will everyone enjoy it?
- Will the food be good?
- Will the atmosphere fit the occasion?
- Will it be worth the money?
- Will planning be easy?
- Will we create memories we'll talk about afterward?

Historically, the attraction itself was often enough to distinguish one venue from another. Today, consumers increasingly evaluate the entire experience surrounding the attraction, and those broader considerations typically determine which venue earns their business.

This also explains why adding attractions often yields diminishing returns. New attractions still generate awareness and attract first-time visitors, but they rarely remain unique for long. Competitors introduce similar concepts, customer expectations evolve, and yesterday's innovation quickly becomes today's standard feature.

Meanwhile, the factors that are much harder to duplicate have become increasingly valuable. Programming may be the best example.

Too many operators still view programming primarily as marketing or as a way to fill slower periods. Increasingly, programming has become a strategic tool for improving the productivity of existing assets by achieving three important objectives:

- It broadens the customer segments a venue can attract.
- The same attraction can serve many different occasions. It increases the number of occasions when both existing and new customer segments choose to visit. Birthday parties, homeschool programs, senior events, corporate outings, trivia nights, glow bowling, holiday celebrations, fundraising events, themed leagues, and adult social gatherings all create additional reasons for people to choose the venue. The venue's physical attraction doesn't change, but the customer segments it serves and the occasions for which people visit increase dramatically.
- It creates repeat appeal. Even outstanding attractions become familiar over time. Programming refreshes the guest experience by introducing new themes, seasonal events, competitions, leagues, and social activities that give existing customers

additional reasons to return. Instead of relying solely on new attractions to drive repeat visits, operators can continually create fresh reasons to visit by leveraging the attractions they already own.

Programming cannot overcome an attraction that doesn't align with the desired occasion, but it can dramatically increase the value of those that do. The strongest operators intentionally align programming with attractions that naturally reinforce the experiences guests seek.

Consumers typically don’t want to repeat the exact same experience, but they are very willing to return for a different one centered on the same attraction. Limited-time events, seasonal promotions, themed tournaments, glow bowling, chef dinners, trivia nights, exclusive member events, and holiday programming refresh the guest experience. Rather than asking guests to repeat the same visit, these offerings give them something new to enjoy. That is an important distinction.

Programming allows operators to increase the productivity of the attractions they already own. It expands the number of occasions the business can serve while regularly creating fresh reasons for previous guests to return. In today's marketplace, that may be one of the most effective ways to increase repeat appeal without continually investing in new attractions.

Food and beverage reinforce all three objectives. Years ago, many operators viewed food primarily as a concession, a supporting amenity that encouraged guests to stay longer. Today, it often influences venue selection itself. Better food broadens the range of occasions for which a venue is compelling. Seasonal menus, limited-time offerings (LTOs), chef collaborations, tasting events, and specialty cocktails give guests another reason to return. Restaurants have long understood that changing menus encourages repeat visits. Location-based entertainment operators should think the same way.

Hospitality has undergone a similar transformation. As attractions become more comparable, service takes on greater importance.

Guests remember how they were treated long after they forget which arcade games they played or how many strikes they bowled. Parents remember whether the party host anticipated problems before they arose. Corporate event organizers remember whether everything ran smoothly. Regular customers remember whether employees knew their names and made them feel welcome. Those memories influence repeat business far more than many operators realize.

Employee training, therefore, is no longer merely an operational necessity. It has become a competitive strategy.

Facility design contributes in much the same way. Comfortable seating, inviting gathering spaces, attractive interiors, good acoustics for conversation, appealing outdoor environments, and thoughtful layouts encourage guests to stay longer, socialize more, and associate positive emotions with the visit. Increasingly, guests compare entertainment venues not only with other entertainment venues but also with restaurants, boutique hotels, breweries, wineries, and other places they simply enjoy spending time at.

Just as importantly, the physical environment should reinforce the occasion the attraction is meant to support. The goal is not simply to create an attractive facility but to create an environment that enables the social, celebratory, and relationship-building experiences that guests increasingly value.

None of these elements replaces the attraction. Together, they increase the value guests receive from the attraction. That may be the industry's most significant strategic shift. The attraction has become only one component of the experience rather than the experience itself.

Guests remember the experiences the attraction made possible far more than the attraction itself. They remember the birthday celebration that exceeded expectations, the family tradition of spending New Year's Eve together, the social league that became part of their weekly routine, the company outing employees talked about for weeks afterward, or the confidence parents felt knowing their child's birthday party was stress-free. Those experiences build loyalty and encourage repeat visits.

Those experiences cannot be purchased from an equipment supplier or installed during a renovation. They are created through leadership, thoughtful programming, exceptional hospitality, operational excellence, and a clear understanding of what customers aim to accomplish when they choose to spend their limited discretionary time with you.

Competitive advantage has moved beyond the attraction

Recognizing that the attraction is only one component of the overall guest experience changes how operators should think about competitive advantage. Today, success depends less on adding attractions and more on continually increasing the value guests receive from the attractions already in place. For independent operators, that shift should be seen as an opportunity rather than a threat.

Sustainable competitive advantage is increasingly created by the value surrounding the attraction rather than by the attraction itself.

That does not diminish the importance of great attractions. Rather, it shifts the criteria for selecting them. The question is no longer simply whether an attraction is exciting, but whether it helps create the experiences and occasions that today's customers value most.

For many years, competitive advantage largely followed capital investment. Operators with the resources to build larger facilities or add the newest attractions often enjoyed an advantage that smaller competitors struggled to overcome. Investment in the right attractions remains important. Today, however, the competitive landscape also rewards operators who excel in areas that money alone cannot easily buy.

That is because the guest experience begins long before the first game is played. It starts with how easy it is to make a reservation, how welcoming the staff are upon arrival, how comfortable the facility feels, how smoothly an event is managed, how enjoyable the food and beverage are, and how confidently guests believe the venue will deliver on the promise of an important occasion. It continues through every interaction during the visit and ultimately determines whether guests recommend the venue to others and whether they return.

Viewed through that lens, many traditional operating decisions take on new strategic importance. Programming becomes more than a way to fill slower periods. It becomes a strategic tool for increasing the productivity of existing attractions. By broadening the customer segments the venue can attract, expanding the number of occasions for which guests choose to visit, and creating fresh reasons for them to return, programming enables operators to generate substantially more value from the attractions they already own. Hospitality becomes more than customer service. It becomes a strategy for building loyalty. Food and beverage become more than secondary revenue centers. They broaden the range of occasions a venue can serve while continually refreshing the guest experience. Facility design extends beyond aesthetics to influence how long guests stay, how comfortably they socialize, and how they remember the experience after they leave.

Individually, none creates a sustainable competitive advantage. Collectively, they do. Together, they increase the value guests receive from every attraction already in the building and create new reasons to return. As attractions become increasingly comparable, competitive advantage comes from everything that enhances, supports, and renews the experience around those attractions.

That shift also changes how operators should evaluate future investments. Instead of asking only, "Will this attraction generate additional revenue?" operators should ask a broader question: "Will this investment increase the productivity of our existing attractions by better supporting the occasions and experiences our customers seek?"

That broader question recognizes that the greatest opportunities for growth may no longer come from expanding physical assets. Instead, they come from increasing the productivity of those assets by creating more value around them.

Perhaps the most encouraging aspect of this shift is that these new sources of differentiation are accessible to operators of every size. Independent businesses may never match the purchasing power or development budgets of the industry's largest companies and chains, but they can often outperform them where it matters most. They can know their communities better, respond more quickly to shifting customer preferences, develop more innovative programming, build deeper relationships with guests, and cultivate cultures that consistently deliver exceptional hospitality. These advantages are difficult for competitors to replicate.

The location-based entertainment industry is not seeing a decline in demand for experiences. Instead, it is seeing a dramatic increase in the number of businesses competing to provide them. The industry's challenge is no longer only attracting first-time guests. It is regularly giving guests a reason to come back.

The businesses that prosper over the next decade will continue to invest in outstanding attractions, renovate their facilities, and introduce new experiences. But they will also recognize that sustainable competitive advantage comes from generating greater value from the attractions they already own. They will broaden the customer segments they attract, expand the occasions for which guests choose to visit, create fresh reasons for past guests to return, and deliver an overall guest experience that competitors find difficult to duplicate. They will also recognize that the most successful attractions are those intentionally chosen to support the social, celebratory, and relationship-building occasions that guests increasingly value.

Ultimately, the industry's challenge is no longer simply attracting first-time guests. It is about attracting them for more reasons than just the attraction itself and continually giving them fresh reasons to return. In today's marketplace, consumers increasingly choose venues based on the complete experience they expect, not simply the activity they plan to do.

Today, sustainable competitive advantage is created not by attraction alone but by everything that increases the value guests receive.

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