

Building The Right Mix For Your Market

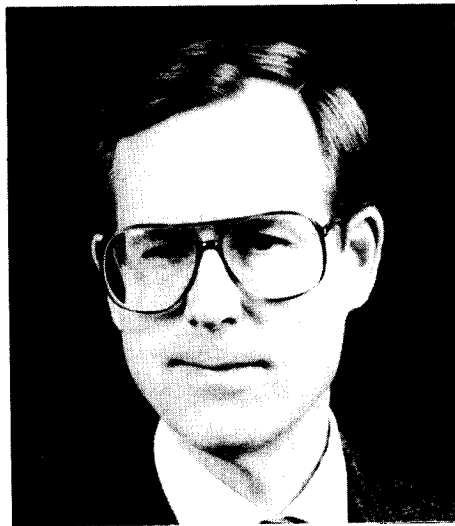
By Randy White
White Hutchinson Entertainment Group
Kansas City, MO

(Editor's Note: Randy White was a featured speaker at Leisureexpo '94. This article is a synopsis of one of his presentations and the first ever publication of his codified methodology for finding the right mix for a family entertainment center. It includes the premier discussion of "the rhythm of play.")

VISIT AN AILING FAMILY entertainment center and you'll probably find a mix of attractions designed to please every possible guest, from toddler to grandma, from blue-collar worker to business executive. There's a little bit of everything for everybody, so everybody should be happy, right? Wrong. That FEC is strapped onto the gurney headed for intensive care because it hasn't provided the right mix to appeal to a target market. Its owner is learning the hard lesson that giving everybody a little bit of what they want doesn't get and keep a customer base in a rapidly expanding market with many new, specialized concepts.

Picking the wrong mix of attractions or events for an FEC's market area is a migraine-maker, no doubt. Our company has consulted with a number of sick FECs, and in every case, one root cause of the problem was the mix. Choose the wrong mix of attractions when you build or expand your FEC, and you've chosen trouble.

The mix is one of the critical success factors for any FEC. To make the mix work for you, read on. I'll fill you in on the many factors that must be properly analyzed to develop the right mix for your family entertainment center. The good news is, this isn't magic. It is a systematic process that works every-



where, because it is tailored to each FEC's physical size and properties, location and market. We call these factors "the dimensions of mix."

The Biggest Misconception

Your FEC cannot be everything to everybody. No, it can't, for the same reason Burger King doesn't offer wine lists, sommeliers and white linen tablecloths to its fast-food customers, and the Ritz doesn't ask diners to get their own plastic forks and bus their own tables. In any business, you have to know your customer and give that customer an experience that delights. Dashing after every possible customer will leave you exhausted and them disappointed.

People are different. Diverse market segments have diverse needs, wants and expectations. An FEC cannot create superior guest experiences for a few segments while trying to meet all the needs of all the customers that might possibly

wander through the doors.

Repeat business – guest loyalty – and positive word-of-mouth determine success. To succeed, you need to give people more than they expect to get. Delighting guests depends on selling more to fewer people rather than selling a little to the greatest number of people. We call this going after "share of guest" rather than after a higher share of the market. Its as simple as focusing on a particular market segment rather than finding the lowest common denominator.

Finding your niche in the market requires that you learn what is important to a particular market segment, and how that segment differs from others. Then, you "customer-ize" the FEC – its mix, design, operation and marketing – to appeal to that specific segment.

It's like buying a gift. For a casual business acquaintance, sure, spring for the canister of designer popcorn. You don't know that person well enough to really delight him or her. But for your best friend, you can and have to do better. So you keep looking until you find the gift that meshes with that person's unique personality and interests. The idea is to find a narrow market of "best friend" guests who you see frequently, rather than a broad market of casual acquaintances you may never see again.

Focused Assortment Makes for More Best Friends

When you offer an in-depth assortment of events to please a narrowly-defined segment of the market, we call that focused assortment. It is not a new idea. The principle of focused assort-

ment is a proven key to success in the retail, hospitality, service and restaurant industries. It drives the dimensions of mix for the successful FEC.

Five broad categories define the dimensions of mix:

- 1). Focus factors – who your guests will be.
- 2). Motivators – why your guests will visit.
- 3). Market factors – where your FEC will be located and the impact the external marketplace will have on it.
- 4). Time factors – when your guests will visit.
- 5). Design parameters – the physical properties of the facility and design criteria.

Focus Factors: Will You Be My Best Friend?

When you imagine your new or expanded FEC full of guests laughing, having fun, dashing from one game to another, who do you see? What do they look like? Where do they work? What are their values?

The focus factors define who your guests should be by defining the market niche you want to attract. The factors that must be analyzed to determine the focus are:

- Age
- Gender
- Socio-economics
- Geo-demographics
- Lifestyle
- Values
- Needs and wants

Figure 1. FEC Activity Time Matrix.

	MON	TUES	WED	THUR	FRI	SAT	SUN	HOLIDAY
10AM	OPEN	OPEN	OPEN	OPEN	OPEN	OPEN	OPEN	OPEN
NOON	Weekday Morning & Early Afternoon					Weekend Morning		Holiday Morning
2PM								
4PM	Weekday After School					Weekend Peak		Holiday Peak
6PM	Weekday Supper Time							
8PM	Weekday Evening							
10PM	CLOSE	CLOSE	CLOSE	CLOSE		Sunday Late Eve.		Holiday Late Eve.
MIDNITE						CLOSE		CLOSE
2AM					CLOSE			
8AM						CLOSE		

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These factors include many characteristics generally referred to as demographics, but which also include psychographics and lifestyle characteristics.

The other focus factor that must be analyzed is who your guests will bring with them, or their affinity groups. Will they come alone or accompanied by others? Will they come with friends similar to themselves, such as a group of Girl Scouts or a softball team, or with a more

diversified group, such as a multi-generational family or members of a corporate division?

Typically, there will be a number of possible affinity groups for each type of guest. Defining this affinity group focus factor is especially important when it comes to designing the mix for group or organized play.

The Family Affinity Group Is Not What You Think

Let's say you want to target your FEC to all the happy families in your market area. That, you say, is the affinity group you want to attract. Just keep one thing in mind: Most teenagers would rather be force-fed liver-and-spinach casserole than be seen in public with their parents.

It's a common misconception that the affinity group of "family" includes the parent or parents, teenagers and

children. Wishful thinking makes for bad business, and is especially harmful for indoor FECs under 60,000 square feet. Especially indoors, families and teenagers do not mix. So from now on, when you think of families, what it means is parents with children 12 years old or younger.

This is, we know, just a phase, but an extremely powerful one for parents and teens. The sociology and psychology of child development tells us that teens need their own unique culture with their peers, away from adults and the potential for ridicule. They'd just as soon avoid younger kids, too.

Adults, especially women, may be intimidated by roving packs of teenagers wearing odd clothes and talking an alien language. In April, 1994, America's Research Group in Charleston, SC, conducted a nationwide survey of shoppers' attitudes that confirms that teenagers and families don't mix. The survey focused on the impact of crime and retail shopping, and found that shoppers are changing their buying habits because they fear being the victim of crime. About 25 percent of the respondents said they no

longer feel safe going to malls because they draw groups of teenagers and require walking through large parking lots.

Another problem with trying to please both teens and adults with pre-teen children is that the two groups want different things from the experience, and many things that please adults will drive teenagers up a wall. For example, teens don't much care about the service and ambience, while adults care very much about how they're treated, the cleanliness and attractiveness of the environment.

No mere mortal can design an FEC that will bridge this gap. So focus on pre-teen children and their parents, or focus on teenagers. Either way you can create a successful formula, but you mix the two at your own peril.

Figure 2. FEC Attendance Matrix.

Attendees	Alone	W/ Similar Friends	W/ Non-Family Grp.	Adults With Children													
				M&F <2	M&F 2-3	M&F 4-5	M 6-9	F 6-8	M 10-12	F 9-12	M 13-15	F 13-15	M 16-18	F 16-18			
Children																	
M&F <2																	
M&F 2-3																	
M&F 4-5																	
M 6-9	A	X															
F 6-8	A	X															
M 10-12	A	X															
F 9-12	A	X															
M 13-15	A	X															
F 13-15	A	X															
Mobile Teens																	
M 16-19	A	X															
F 16-19	A	X															
College Students	A	X															
Young Adults																	
Single	A	X															
Childless Couples	A	X															
Older Singles	A	X															
Empty Nesters	A	X															
Grandparents/Seniors	A	X															
Families w/Children																	
Single Parent																	
Couple:																	
Dual Income																	
W/Homemaker																	

Motivators Tell You Why Your Guests Left the Sofa

What is it that your guests want from their trip to your FEC? What got them to turn off the TV, store the lawnmower or close the book and go to all the trouble of planning an outing to your FEC? By defining the motivators you can define the experience you will create for your guests.

A 1990 Leisure Trends/Gallup survey of 5,000 Americans identified nine categories of motivators for leisure activities. Of those, seven are possible motivators for going to an FEC:

- Socialization, including family interaction, celebrating a special occasion such as a birthday and some group visits;
- Pleasure-seeking;
- Escape or a "fantasy adventure," a major trend identified by Faith Popcorn;
- Accomplishment, through perfecting a skill or creating something;
- Competition;
- Learning or discovery; and
- Relaxation and recuperation.

The motivators show you how to sat-

isfy particular needs, wants and fears of your guests. An FEC can build on many motivators within your market niche, but rarely can satisfy all of them for all your potential guests. The most enduring success comes from focusing on a particular market segment and fulfilling a few key motivators for that segment.

Market Factors Work From the Outside In

Market factors are external to your FEC. They include:

- The market size for your defined market segment, based upon the geographic boundaries of the market area and the resident and business population with it;
- Competition; and
- Your guests' expectations.

Guest expectations are included here because they are shaped by market factors like the actions of your competitors and other consumer industries, what consumers have experienced and their value perceptions based upon those experiences.

Time Wants for No FEC

Will you attract the night owls? The early birds? What about the sunseekers

or the snow bunnies? Time factors identify when your guests will visit your FEC, and includes the season of the year, day of the week and time of day. Figure 1 is a time matrix for a generic FEC that identifies seven distinctive weekly time periods of attendance. Different parts of the market niche, particularly affinity groups like birthday groups or Girl Scout troops, will come at different times.

Design Parameters Put The Mix Into Three Dimensions

Design parameters deal with the physical character of the FEC, broad categories of events and mix criteria that must be met:

- **PHYSICAL PROPERTIES:** Where is the FEC located? How visible and accessible is it? How big is it? Will the FEC have indoor or outdoor events, or both? Inside, how far apart are the columns spaced and how high are the ceilings?
- **EVENT CATEGORIES:** Will events be participatory play and recreation, or passive entertainment? Will the participatory events be structured or free play? Physical play or rides? Skill-based games or no-brainers?
- **MIX CRITERIA:** For the mix to work,

the events and attractions must meet a number of criteria:

- **Critical mass** – the FEC must achieve a significant size and variety of mix so it will be perceived as a destination attraction that appeals to the target market.
- **Repeat appeal** – the mix must draw the guest back at the desired frequency of visits each year.
- **Length of stay** – the mix must keep guests in the FEC long enough to create market reach. The distance and time that guests will travel to an FEC has a direct relationship to the length of stay. However, if the length of stay is too long the frequency of attendance will drop. [Like Disneyland, for example, where you can stay for a week but visit once in a lifetime.]
- **Anchor and impulse attractions** – the mix of anchor and impulse attractions must be balanced, along with events that provide an overall profitable revenue stream.
- **Perceived value versus cost** – this includes everything above, along with other influences on how the guest perceives value, such as quality, cleanliness, service and ambience. For guests to come back, in their eyes they must have gotten more than the cost of the visit. The cost includes not just the money spent, but the entire investment of drive time, effort to get ready, parking, getting the kids in the car, etc. If it costs more than it was worth, that guest will not come back.

You need to know a lot to be able to create the right mix of events and attractions.

- **Storyline and theme** – the mix must complement and contribute to the FEC's theme and storyline for the FEC to create a unified and memorable guest experience and image.
- **Rhythm** - this means the pace, duration of play, and cycle of play. Let's examine this element in more detail...

Rhythm Means You Heat Up, Then You Cool Down

While the average four-year-old may be an exception, most guests cannot sustain an intensive pace over time. People need to rest, to catch their breath and socialize with family and friends.

The classic interactive and socializing-oriented program elements have their own distinctive pace and rhythm. Miniature golf, bowling, billiards, darts, all move at about the same pace and rhythm. A group plays together. While individuals take turns playing the game, the others watch, socialize and contribute pointers on how to get a higher score. The rhythm and cycle of play creates a length of play that makes these events anchor attractions.

For children, soft modular play or a selection of rides have a similar cycle and rhythm. Kids travel around the tubes, plop into the ball bath with friends, explore again, whip down the slide and gather outside to discuss whether they can convince Dad to buy them ice cream. Or if they're on a ride, when the ride ends they gather together and decide which one to swarm on next. In combination, rides can act as an anchor event because the cycle has duration.

To act as an anchor, the duration for a group of four or more needs to be at least 45 minutes, or better, one to one-and-a-half hours. The rhythm and cycle of play creates that duration, while allowing social interaction among members of the group.

Figure 3. Generic Children's Entertainment Center Program Matrix.

	BOYS & GIRLS					BOYS						GIRLS							
	1	2	3	4	5	6	7	8	9	10	11	12	6	7	8	9	10	11	12
Ride A																			
Ride B																			
Ride C																			
Event A																			
Soft Play																			
Micro Soft Play																			
Token Games A																			
Token Games B																			
Coin-Op Rides																			
Toddler Play																			

Other events move faster, like token-operated games. Playing a number of games in sequence can take on a rhythm. Due to the cost of playing the games and their faster pace, however, the cost versus perceived value can quickly get out of balance. That's why games must be ancillary to the anchor attractions, which cost less per hour to play. Anchor attractions rarely cost more than \$5 per person per hour, and ideally should be in the range of \$2.50 to \$4 at peak times.

All These Elements Go Into the Mix

You need to know a lot to be able to create the right mix of events and attractions. Focus factors, market factors, motivators, time factors, design parameters – it all adds up to the heartfelt thanks of a grateful market niche. Without taking these five elements into account, you may as well pack it up and move back in with the folks right now, because your FEC is going to wind up in trouble.

The five categories of the dimension of mix form a matrix which define the mix or at least define the specifications for the program elements, to which individual events can be matched.

While we can be pretty impressive, we haven't yet mastered the impossible. Therefore, instead of a five-dimensional matrix we use several two-dimensional matrices to work through the problem. A time matrix like Figure 1 defines the unique time slots when attendance needs to be generated for your FEC. Another is an attendance matrix, like Figure 2, which shows targeted guests and affinity groups for a hypothetical FEC. Figure 3 shows a program element matrix. In it, the attractions or events are cross-tabulated to the

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guests they appeal to to assure a broad enough selection for each category of guest. Matrices also can be prepared for the motivators, cross-tabulating them to each guest segment, program elements and time factors.

You may have noticed that a lot goes into creating the right mix, just like you would spend more time finding the right

present for your best friend than a quick gift for a casual acquaintance. The time and work pays off by giving you the foundation for success.

The right mix alone isn't enough, though. How you present your gift – service and atmosphere, price and marketing – give you a total package that will delight your new best friends. ♦

Tourist Attractions & Parks

WORLD'S LEADING PUBLICATION FOR MANAGEMENT OF FAMILY ENTERTAINMENT CENTERS, ATTRACTIONS AND AMUSEMENTS

SEPTEMBER 1994

VOLUME 24, NUMBER 5