

Extreme Opportunity



By Frank Seninsky

This past month's Fun Expo/AMOA Expo introduced many in the amusement industry to a relatively new form of recreation that falls under the broad heading of extreme sports. These activities include skateboarding, bicycle motorcross (BMX), paintball, snowboarding and several others.

As this article was written before the show, we as an industry should have much more to say about how these activities can be incorporated into our core operations in the coming months. However, based on research I have done in the past year for several of AEM's consulting clients, as well as searching out the skatepark association SPAUSA (Skatepark Association USA) and introducing Heidi Lemmon to IALEI and Fun Expo, I am already prepared to make the case that skateboarding may well be one of the best opportunities that has come along for our industry in the past decade. The last attraction that had a major impact on the FEC industry was laser tag.

First, let's look at the statistics. A recent 10-year history of sports in U.S. participation shows that in the past half-decade for which records are available (1995-2000), for people 7 years or older who participated more than once in a particular sport, skateboarding has seen increased participation of more than 100%. That is an incredible increase and leads the list of increased participation far and away. During the same time period, inline roller skating decreased by 39% and traditional roller skating saw a drop of close to 50%. A close look at the numbers reveals that most of the traditional participation sports were on the decline, while participation in extreme sports like skateboarding and snowboarding saw steep increases.

In fact, over 9 million people participated in skateboarding, according to the figures. That's more skateboarders than people who play tackle football and about a third the number of people who play basketball! It's almost equal to the number of people who play tennis, and these are 2000 figures, so these increases have probably gone up even more in the past two years.

Interestingly, inline skating (rollerblading) began to take off in 1990 and grew continually through 1998, when it began to see large declines in participation. Meanwhile, traditional rollerskating was flat in terms of participation for many years, and then it just seemed to fall off the end of the earth in 1998. That year seems to have represented a significant cultural shift for many youngsters as extreme sports began to rise in popularity and the popular razor scooters were introduced as a fashionable mode of transport.

This wave of popularity actually represents a second life for the skateboard with improvements in board design and a wider availability of truly smooth concrete services, raising the level of skating performance. Skateboarding is a lot different now than when I was a kid in the late '50s and early '60s. Back then, we would separate one roller skate (the adjustable ones) and attach the wheels to the front and back of a homemade wooden board (skateboard) and off we would go (downhill) in-between the cracks in the sidewalks. Safety was certainly not a concern!

Currently, the skateboarding industry has largely been connected with public projects (i.e., park developments funded and overseen by local governments as opposed to private enterprise). Yet it is ideally suited for the for-profit amusement industry, representing a nearly identical

demographic to our attraction business. A Matrix Group roller skating survey conducted in 1999 reported that 75% of the people who skate indoors are between the ages of 5 and 14. So that suggests that kids comprise a large majority of the overall skating market. The surveyed skaters said they enjoyed the sport because it was fun and offered good music to skate by and a place to hang out with their friends away from the house. This also belies the idea that kids just want to cocoon with their Xbox or PlayStation. In reality they really desire to gather for fun, but they want to do something that is perceived by their peer group to be cool or fashionable.

The skateboarding industry also provides FECs with an affordable attraction with, for example, 18,000 square feet of skating apparatus going for approximately \$100,000, including hardware and installation. Ramp materials range from wood, which is affordable but high-maintenance, to steel and concrete. Most existing commercial skateparks charge a flat fee for each session with a discount offered for skaters who purchase an annual membership and a multiple visit package. All in all, the cost is reasonable (within the leisure entertainment per capita levels), and the return on investment is attractive. It's a perfect product for our market. Moreover, skateparks have not penetrated our market yet, so it still represents a considerable growth opportunity for the FEC industry.

This trend remains new enough for our industry to capitalize on this for some time to come. But there is an education

process that must take place. While inliners have been embraced by society, skateboarders have yet to be assimilated, and that's what makes it attractive and cool to the younger participants. People are often intimidated by skateboarding, and that is why many venues have yet to see the tremendous opportunity connected with offering skateboarders somewhere to enjoy their sport. There is also a never-ending progression of new challenges that are being developed for and by skateboarders and bicycle motorcross (BMX), thus providing the sport with tremendous longevity potential.

In fact, the only major players who have begun to capitalize on this trend opportunity are suppliers to the industry, like the Vans shoe company, which has opened a chain of skateparks in conjunction with the Mills mall chain.

Much of my research is based on feasibility studies that AEM conducted last year about developing a skatepark for existing FEC facilities, along with including them in several indoor as well as indoor/outdoor projects. In addition, Alpha-Omega Amusements has had the opportunity to operate games in FECs that include a skatepark. The skatepark is such a positive feature because it brings in significant new revenue but doesn't cannibalize many of the existing attractions. This is another way to extend the life of your FEC and generate considerable local attention. And don't forget about the parents and other spectators who come to see all of the action and spend money in your FEC. It also opens up a lot of merchandising opportunities in terms of selling the gear that goes along with the sport.

Moreover, I would think our industry would be a natural with the marketing of this sport in terms of tiered competitions, party events, lock-ins, etc. The last great attraction invented for FECs was laser tag. I strongly feel, especially for indoor locations that have the required space available, that skateboarding might well be the next great FEC attraction, along with paintball, which is also finding a FEC niche market, primarily as an outdoor attraction.

There are people who are already, integrating skateparks into their locations. Unfortunately, not all the FEC owners in this country are going to see this as a great opportunity, and somebody else in their community will open up a skatepark and steal that customer base. These locations can be built quickly and for a reasonable price, so now is really the window of opportunity. If you miss it, you might have to wait another decade for the next big trend.

There is one location in my area that built one skatepark and it took off so well, they are installing a second one! That's what this industry is all about: making your facility flexible and being able to change out attractions. I have been saying this same thing for 15 years, but I think people continue to miss the point. These skateparks have the potential to generate a healthy profit for location operators. The initial cost is not much more than I paid for half a dozen new sit-down driving games for my route! So even if you believe that skateparks are a fad that will only last five years, you will be shocked when you do the math and calculate the ROI!

At present, many of the municipal skateparks are very informal and are unsupervised. The number of for-profit locations are estimated to be under 100, I would imagine, although there is probably the potential for thousands of locations, especially some innovative ones developed through a combination of public and private money. This is something our industry has long needed to focus on.

So if you're looking for a new attraction, do yourself a favor and look into skateboarding. If you attended the Fun Expo, you already learned much about skateboarding and skateparks by seeing first-hand a working skatepark attraction and by attending a few of the several great seminars on this topic. If you did not attend, shame on you! But at least you can still read about it in the trade press and hear the information by purchasing the seminar tapes.

Here are some of the quality skatepark manufacturers that I have gotten to know over this past year:

- RCMC, Rick Carje, earje@earthlink.net, www.rcmcsk8parks.com
- RAMPTECH, Mike Mapp, www.ramptech.com
- Grindline, Chris Hildebrand, www.grindfne.com
- Mike Taylor, tay1or4343@earthlinknet • Tim Payne, Cpain@aoLcom, www.teampain.com
- John Tyson, Vertical Productions Industries, www.sk8ramps.com
- Wally Hollyday, www.skatedesign.com