

Tourist Attractions & Parks

WORLD'S LARGEST PUBLICATION FOR MANAGEMENT OF LEISURE FACILITIES, ATTRACTIONS, ENTERTAINMENT AND AMUSEMENT CENTERS

BUSINESS STRATEGIES

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Working Harder and Smarter 2010 Is Off to a Great Start

The economy is slowly waking up from the long nap it took in 2009. People are still cautious, but are actively thinking about changing the way they do business and doing their homework, going to shows, attending seminars, and using *Tourist Attractions & Parks* magazine to gain more information. Knowledge is power in today's highly competitive marketplace.

One of the first shows of the year, AmericasMart (the Atlanta merchandise and gift show) took place in January. As expected, there were fewer exhibitors but traffic was very strong and people were doing business. The Bowling Summit took place January 23-27 in Arlington, Texas, with the historic grand

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opening of the International Bowling Campus that includes the International Bowling Museum and Hall of Fame and the new 20-lane International Training and Research Center. Attendance was huge and industry donations have already passed the \$1.5 million level. These are positive signs for upcoming shows: ASD Las Vegas (late February), 2010 Amusement Expo and St. Louis' Transworld Halloween and Attractions show in March.

Sure, the shakeout will continue, as the weaker companies disappear or are consolidated, but the survivors are optimistic and starting to rebuild. The Wall Street Journal reported a few months ago that small businesses are not asking to borrow as much money as they used to. This statement alone can

mean at least two things: 1.) Small businesses have become ultra efficient and have reduced their operating costs and are able to operate on cash flow; and 2.) A significant number of small businesses have closed their doors or are about to so and they obviously are not looking to borrow money. The banks are also doing their homework. Personal finance statement forms now require additional information and the answers to many more questions, as the banks want to lend only to strong businesses.

What are the strongest sectors?

Bowling is perhaps the strongest sector as it continues to expand into the family entertainment market.

FECs continue to do well, as inexpensive out-of-home entertainment has become a staple. Even during the

bottom of the recession, families made it a point to go out to eat at least once a week and many chose a family entertainment center or restaurant with family entertainment. FECs have reported that the number of birthday parties has decreased in those centers where birthday parties were a significant part of their business (50-plus parties a week) but has remained flat or even increased in those centers that previously did less than 30 parties a week.

Amusement parks are still a major draw but the weather (first) and the economy (second) still have an effect on attendance.

What About the Big Parks?

We predict that some big theme parks will be sold off individually this year. Universal-NBC (part

owned) is being sold to Comcast. Anheuser-Busch was recently purchased by InBev for \$52 billion. InBev sold the 10 parks (including three Sea World locations and two Busch Gardens locations) to private equity firm Blackstone Group for \$2.7 billion. Blackstone will try to buy more parks to build themselves up to go public and get their investment out. Apollo Global Management has purchased Cedar Fair for \$635 million (the deal needs to be approved by two-thirds of Cedar Fair stockholders). JP Morgan Chase is among others looking to purchase Six Flags' 20 parks.

Other Sectors

Museum donations are down due to the economy and these attractions have to hustle and become more like FECs. Special events are being used to draw in more families and kids. Zoos have more children attending than museums, and are in a perfect position to add FEC attractions and amusement games to the mix. Both sectors have an opportunity to cash in on birthday and group party business.

Food

The federal government is now trying to tell us what to eat. The first step is the removal of candy, soda and snacks from school vending machines. For the amusement industry, it seems that every time we try to sell healthy food, it does not sell well. People still associate cotton candy and certain foods with amuse-

ment parks and FECs, just as they do popcorn with movie theaters. This cycle has been going around and around for many years, but it may soon come to a head.

Yes, our industry faces many challenges, but we are positioned to be one of the most stable of industries in 2010 and in the coming years. The only thing we have to accept is change. The old ways of doing business can no longer guarantee success. We all have to work smarter, and harder. ☛

Amusement

Entertainment Management, LLC



Frank Seninsky, President

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Saves You More And Costs You Less”***

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Frank Seninsky is president of the Alpha-Omega Group of companies, which includes a consulting agency, Amusement Entertainment Management, LLC (AEM), a nationwide revenue sharing equipment provider, Alpha-Omega Amusements, Inc., Alpha-BET Entertainment, and Alpha-Omega Sales, a game & related equipment distributor. All are headquartered in East Brunswick, New Jersey. During his 38 years in the leisure entertainment industry, Seninsky has presented nearly 300 seminars and penned more than 1200 articles. He has served as president of the Amusement and Music Operators Association (AMOA) from 1990-2000 and as the President of the International Association for the Leisure & Entertainment Industry (IALEI) from 2005-2006. Seninsky currently serves on the IALEI Board of Directors and Executive Committee as Immediate Past President. His columns regularly appear in Tourist Attractions & Parks, RePlay, Vending Times, and Bowling Industry magazine. He has recently published 'The Redemption Report', a free monthly newsletter that has over 40 ad sponsors and more than 21,000 readers as of end of 2009.

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