



Analysis of Family Entertainment at Indian Casinos

by Matthew S. Robinson

Casinos and families – are they mutually exclusive? As Indian casinos attempt to expand their markets, adjusting for changing demographics, families (adults with children under 18) may or may not provide a lucrative potential market segment.

For the purpose of this analysis, family entertainment is defined as an activity or attraction designed to attract or accommodate families. This includes, but is not limited to, bowling, arcades, laser tag, mini-golf, cinemas, childcare and family-friendly water features at swimming pools.

The chart (at right) presents a summary of existing tribally-owned family entertainment activities/attractions at or near Indian casinos. Based on a recent market analysis, there are 75 Indian casinos that offer at least one of the family entertainment activities/attractions – that equates to almost one in five tribal gaming operations.

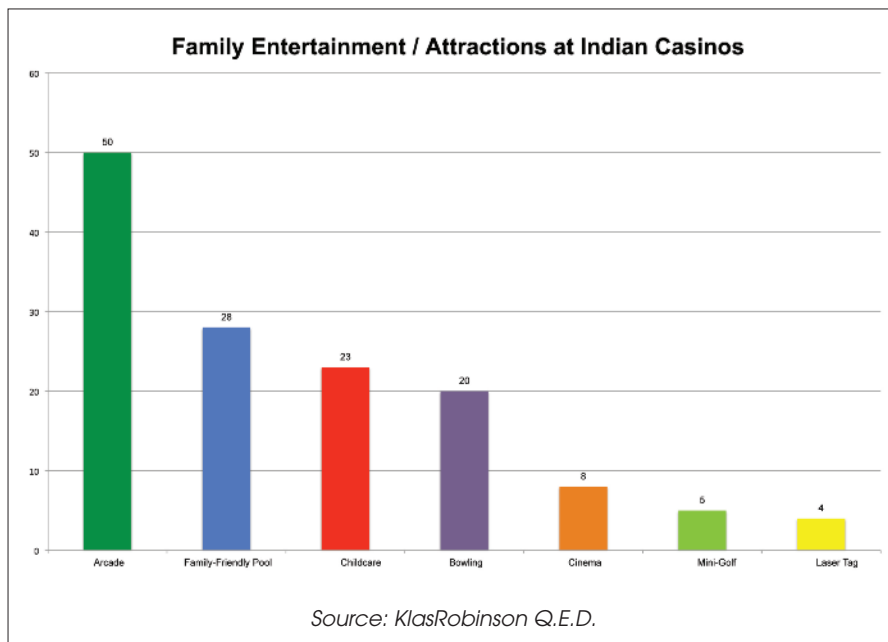
There are 50 Indian casinos with arcades, 28 with family-friendly pools, 23 with childcare, 20 with bowling, eight with cinemas, five with mini-golf and four with laser tag. The following describes some of the pros and cons associated with various types of family entertainment:

Arcades

Arcades can range in size from a couple of video games, pool-side or otherwise, to a large arcade complex with more than 100 video games, redemption games with prizes and other activities. Ages range from 12 to 18. Smaller arcades, accommodate guests with kids, but are often unsupervised and sometimes require an adult be present – resulting in only one of two parents on the gaming floor (half the average gaming spend per adult for the two adults).

Other larger arcades are often supervised with professional staff where patrons can drop their children off for an hourly fee (\$5 to \$10 per hour). These facilities attract families with older kids that otherwise would likely not come to the casino – resulting in the ability of both adults to be on the gaming floor (average gaming spend per adult for each adult).

Arcade games can be purchased outright, rented or provided by an outside vendor through a revenue sharing agreement.



Family-Friendly Pool

Many Indian casino hotels have added certain family-friendly features to their swimming pools, including slides, lazy rivers, splash pads, kiddie pools, and zero-depth pool entry. These pools tend to be free and only for hotel guests. The majority of pools, family-friendly or otherwise are unsupervised and require an adult be present, at least for children under certain ages. A pool with a water feature or two accommodates families, but like a small arcade requires adult supervision - resulting in only one of two parents on the gaming floor (half the average gaming spend per adult for the two adults). At the same time, an appealing family-friendly pool can potentially increase the length of stay, resulting in additional expenditures on and off the gaming floor.

Many Indian casinos with pools have separate hours for families, offering a dedicated time for adults only, in order to separate families from adults seeking a child-less romantic get-away. Other pools at Indian casinos have developed more of a “Las Vegas” pool model for those only 21 and over with live DJs, dancing and happy hour.

Several Indian casinos have full-scale waterparks with multiple slides, wave pools and other water-based activities. Waterparks charge an entrance fee (\$10 to \$35) and have lifeguards on duty, yet still require an adult be present, at least for children

under a certain age. Depending on the age of the children, one or both parents may be able to visit the gaming floor at the same time (up to the average gaming spend per adult for each adult). Such facilities are family attractions in their own right, which may also increase the length of stay.

Childcare

As presented in the preceding chart, more than 20 Indian casinos offer supervised childcare and activities for children 12 and under. Parents are able to drop their children off in a

safe environment for an hourly fee (\$5 to \$9 per hour). These facilities attract families with younger kids that otherwise would likely not come to the casino – resulting in the ability of both adults to be on the gaming floor (average gaming spend per adult for each adult). More than 90 percent of Indian casinos that offer supervised childcare also offer large arcades for teens, most of which are also supervised, enabling the property to accommodate, even attract families of all ages.

Project cost for a childcare facility can range from \$80 to \$100 per sq. ft.



Bowling

Bowling is a popular sport, so popular that almost one in twenty Indian casinos has bowling on site or nearby. Lane fees range from \$2.50 to \$5 per game with an additional small fee for shoe rental. In order to accommodate families with children, many bowling centers offer lanes with bumpers. They also provide a party room for birthdays, as well as an arcade. In fact, three out of four bowling alleys at Indian casinos also have an arcade on site. Bowling alleys require adult supervision, at least for smaller children, resulting in only one of two parents on the gaming floor (half the average gaming spend per adult for the two adults).

Except for the larger bowling alleys with on-site hotels that can accommodate regional tournaments, bowling at Indian casinos, while an added attraction, for the most part attract local demand. In addition to accommodating families, particularly during the day, bowling attracts league play as well as the younger adult crowd with “Cosmic” Bowling – light shows, disco balls and loud music, both of which improve the overall utilization of the bowling complex, as well as attracting potential new gaming clientele and/or increasing the frequency of existing gaming patrons (i.e. one spouse in league play each week, other spouse goes to gaming floor).

Project cost for a bowling center can range from \$200,000 to \$300,000 per lane.

Cinema

Depending on the rating of the movie, for \$5 to \$12.50 per ticket, cinemas can accommodate/captivate older children and younger children (with adult supervision) for periods in excess of two hours



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per visit, enabling at least one parent to visit the gaming floor (half the average gaming spend per adult for the two adults). Like bowling alleys, the majority of cinemas at Indian casinos (62.5 percent) have on-site arcades.

In addition, similar to bowling, a cinema is not just for kids – it can attract potential new gaming clientele and/or increasing the frequency of existing gaming patrons (i.e. let's catch dinner and a movie, and while we are there visit the casino floor). And with that in mind, every time there is a turnover in movies, a potential additional visit to the casino. Cinema complexes, depending on design, can also accommodate meeting and convention demand in a lecture hall format and can include video conferencing and other high-tech meeting technology.

Project cost for a cinema can range from \$5,000 to \$7,000 per seat. In the case of several Indian casinos, rather than building a cinema, they offer outdoor family movie nights at their pool areas. This is an excellent example of accommodating rather than attracting.

Mini-Golf/Laser Tag

Mini-golf and laser tag, rather than being stand-alone attractions, tend to be additional attractions at larger arcades or family entertainment centers, intended to increase the length of stay and patron expenditure. And similar to arcades, most often attract children ages 12 to 18 with younger children often needing an adult present to participate. Depending on the facility, the fee may be included in the admission price or require a supplemental / add-on fee. An outdoor 18-hole mini-golf course requires $\frac{1}{2}$ to $\frac{3}{4}$ acres, but can be built on as little as $\frac{1}{4}$ acre. Indoor mini-golf and/or laser tag has more flexibility with respect to space (i.e. multiple levels and other unique configurations).

Family Entertainment Centers (FEC)

Of the 75 properties with family entertainment, more than 50.0 percent have two or more attractions, almost 25 percent have three or more attractions and almost 10 percent have four or more family-oriented attractions. Those stand-alone facilities with multiple family-oriented attractions in one location, based on industry vernacular are called family entertainment centers or "FEC".

There are several tribes that have development stand-alone full-scale FEC located in close proximity to Indian casinos, some new builds and some located in retrofitted former gaming buildings. These include the following:

Isleta Fun Connection, located just north of Isleta Resort and Casino in Albuquerque, NM, features a 24-lane Brunswick bowling center, laser tag arena, billiard room, arcade, snack bar and adult beverage bar.

Lazer Zone Family Fun Center, a 60,000 sq. ft. FEC located in Ada, OK next to the Chickasaw Nation's Ada One Stop casino, features a 24-lane Brunswick bowling center, two-story lazer tag arena, 100-game arcade, nine-hole indoor mini-golf course, baseball and softball batting cages, state-of-the-art Real

Sports simulator, kids play area, grille and party/meeting rooms.

Wild River Family Entertainment, located near Cocopah Resort & Conference Center in Somerton, AZ, features a 24-lane divided bowling center, arcade with redemption games, snack bar, party rooms, Player's Lounge with billiards and Karaoke.

UltraStar Multi-Tainment Center at Ak-Chin Circle (opened in November 2012) located next to Harrah's Ak-Chin Casino in Maricopa, AZ, includes a cinema with 12-screens – each with stadium seating and balconies for guests 21 and over featuring alcohol service and in-seat ordering, 24-lane bowling center with eight VIP bowling lanes for group events and parties, video arcade with redemption games, two-story Urban Arena Laser Tag battlefield, several bars and restaurants and an amphitheater.

Currently under construction at Wind Creek Casino & Hotel in Atmore, AL is a major entertainment complex with an eight-screen movie theater, 16-lane bowling alley with 4-private lanes and party room, 45-game arcade with redemption games, restaurant, sports bar with billiards, yogurt and coffee shop. It will also include a separate non-smoking gaming lounge with more than 100 gaming devices.

Build it and They Will Come?

Like any enterprise, the decision to include family entertainment at or near your tribal gaming property should be a business decision and depends on location, competition and specific to this topic, business philosophy. When considering the addition of family entertainment, here are some questions you should probably ask:

- Is your goal to accommodate or to attract families?
- Who is your current clientele? What do they want and expect?
- Will the development potentially displace existing core clientele?
- Should the development be located on the premises or nearby?
- Are such facilities designed to accommodate clients, tribal members, both?

Family entertainment activities and attractions may provide your property with the opportunity to better accommodate your patrons with children and even expand and diversify your clientele. At the same time, it is essential to weigh the pros and cons before proceeding with any such development. ♣

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