

TUG OF WATER

What forces are at play with the current wave of waterpark growth?

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The dam has broken and new places for waterplay are rising up everywhere...

...In the first decades of development, waterplay was limited to waterparks of three types: publicly owned aquatic centers, privately owned waterparks serving local markets, and large themed waterparks in major tourism destinations.

Today, waterplay has overflowed beyond waterparks onto cruise ships that feature flow riders and upgraded pools; aquariums and zoos from Tampa to Columbus and Montreal with water play structures – or even entire waterparks; Texas housing developments large enough to support their own aquatic facilities; Hyatt, Marriot, Westin, and Sheraton resorts with lazy rivers, slides, and zero depth pools; themed bars that add wave machines for surfing entertainment, large waterpark hotels across much of the country and even Super 8 hotels with significantly enhanced pools; casinos in the Bahamas and Reno with waterslides through shark tanks; and destination spas that feature fun and exotic pools and water features.

Despite the growing availability and range of waterplay choices, waterparks continue to set new attendance records – overall as a recreational entertainment category and many individual properties too. The reason is simple, full depth and breadth of waterplay in many markets has still not been completely explored and many opportunities remain.

Many types of waterplay will continue to spread throughout the entertainment world as technology –driven by some excellent and competitive design and engineering companies – demographic changes, changing social dress modes, and a thirst for new adventure entertainment in a digital entertainment world encourage other venues to draw ideas from successful waterparks.

TECHNOLOGY

Technology is helping to drive the increase in waterplay entertainment as components become more modular and highly engineered. Modularity for existing waterparks is driven by the need to fit new elements into existing parks, the growing indoor park market that is space constrained, and the need to incorporate features that build new excitement for marketing. Modularity also allows other waterplay facilities the ability to add the excitement without committing to being a fully equipped waterpark. The rise of a large new market segment, indoor waterparks, has also caused the re-engineering of typical waterpark components. The challenge of fitting new ideas in small spaces is resulting in a torrent of innovations ideal for waterpark and non-waterpark places alike.

DEMOGRAPHICS

Demographic change is another driver spreading waterplay beyond the waterpark. Family-oriented waterparks continue to be supported by a period of sustained high birthrates: over the last several years, the US has experienced over 4 million births a year—



an unprecedented run as Generation Y increasingly moves towards out-muscling the baby boom as our largest generation. But considering only about 20 percent of all US households today include children aged 12 and under (half the percentage of forty years ago), adult households are in a drivers seat too. Family oriented waterparks may not be directly meaningful to 80 percent of US households other than as places to bring nieces, nephews, or grandchildren, these adult households still want their "waterplay fix." Now they can find it at hotels and resorts such as the Hyatt, Marriott, Westin, and Sheraton that feature lazy rivers and tasteful beige slides or in environments such as casinos and cruise ships where adults without children feel more personally adventurous.

OTHER FORMS OF ENTERTAINMENT

Outdoor physical play by children continues to decline in our society despite news of childhood obesity and the arrival of the "Soccer Mom" as a popular character. In-home digital experiences continue to remain the culprit. The new generation of games, led by the Nintendo Wii and Guitar Hero, are more physically involving but offer none of the sensory impact of a speed slide or even a lazy river. As waterplay increases in variety and location, it is increasingly an ideal product for families that crave an exciting way to involve kids in physical activity while having the guarantee of safe "event" play experiences.

WATERPARKS & COMPETITION

Looking ahead, what will the greater availability of waterplay mean for waterparks? This depends on at least two factors. One is whether or not waterparks are already available to kids in a community. Waterparks tend to draw most of their business from the twenty to forty miles around them. The magnetism of their draw depends, in part, on how large they are. Since the US waterpark market is far from saturated, there are, theoretically at least, plenty of unserved areas.

Understanding how the introduction of waterplay in new types of venues impacts waterparks is also dependent on who the new waterplay features target. Waterplay features in venues targeting adults are not a considerable competitive threat to waterparks – unless waterparks begin to target adults. Waterplay features at casinos and resorts introduce adults to waterplay and serve to mainstream the activity at a time when society is becoming more adult oriented. Waterpark hotels may be more of a threat to waterparks. Except for the Kalahari resorts that also appeal to young teens, waterpark hotels tend to target young upper middle class families and as a result, these families may frequent waterparks less often because they are able to satisfy their waterplay fix at waterpark hotels. Waterplay features at zoos,



aquariums and other children's attractions may have the opposite effect. Waterplay time at one of these facilities is far less satisfying than a visit to a waterpark. Play at one of these facilities may just serve to whet a child's desire to visit a waterpark. A parallel can be found in the world of casinos where dozens of new local casinos have only tantalized people's interest in larger destination gaming facilities such as those found in Las Vegas, Atlantic City, and Mississippi's casino coast.

DRESS

The casualization of US dress has had a positive affect on social waterplay entertainment, helping non-waterpark venues incorporate waterpark features. For example, it is easy to send your child into the waterplay feature at the Florida Aquarium as they are likely to be already wearing minimal dress made from quick-dry fabrics and patrons will layer bathing suits to change readily for premium surfing experiences at restaurants.

CONCLUSIONS

Where will these trends lead? There is no end in sight to the continued growth of Generation Y. Existing and new waterparks and waterplay venues will continue to serve them but they are likely to take some different approaches.

- With the loss of some upper middle class households and the general lower income levels of young families today, near term value pricing will become more critical for parks serving the large numbers of children growing up in lower and moderate income households. Generation Y's desire for multiple sensory inputs to be blended into their adventures may result in waterparks becoming digital in several ways. New and better sound, light and visual systems may become the norm, and with them, more channels for in-park advertising and

sponsorship. The bonus will be that parks can be targeted and retargeted for specific audiences throughout a 24/7 timeframe.

- Another track waterparks could take is to make their water environments so distinctive that they are water wonderlands. Disney's approach for the destination market probably works only in places like Orlando but the Schlitterbahn's three locations in Texas are all very distinctive. Using large, lazy river like features (with waves in them) to connect water features and keep people in the water is a distinctive design approach and offers a unified playful environment not possible at isolated waterplay features. In fact the waterpark of the future needs to distinguish itself from the many waterplay choices that will be out there by being more than the sum of its component parts. A unifying attitude or personality will be needed to create winning environments.

- The addition of teaser waterplay elements to other children's attractions like zoos and aquariums will continue to grow. Some zoos, like the Columbus Zoo and Aquarium, may add or include waterparks in their plans. These animal environments have the potential to offer some really exciting theming, especially if they adopt the resort casino approach of slides through shark tanks and other thrills.

- Waterplay incorporated into traditional adult venues like cruise ships and mainstream resorts also continue to rise. In time, these features will become as common at the largest resorts as golf courses are today. It is also likely to take a very elegant turn as infinity pools and other aesthetically pleasing water features are designed.

- Publicly funded aquatic facilities will continue to be built and developed in family oriented communities – especially on the edges of metro areas where they'll be the perception that there's not much for the kids to do; aging populations in other communities may make them a harder sell.

- Large health clubs that feature both indoor and outdoor leisure pools, like the Midwest's Lifetime Fitness, may beat the public sector to the market in affluent areas with lots of families. Lifetime rings Chicago and Minneapolis already.

- Downtowns will be the frontier for some daring concepts. At least a dozen major US downtowns are being repopulated with adult households in multifamily housing as our top cities become more like the more mature European cities. It is possible that the rise of adult waterplay coupled with the spa development tsunami, we may see the

development of this generations' version of the Roman Baths in some city centers. Public baths never went out of fashion in some Asian cultures and "taking the waters" persists as tradition in Germany and other eastern European countries. The development vehicle in some US cities may be the urban version of the Lifetime Fitness Center model that features lushly landscaped indoor pools with flowing water and hot spring like environments. As far fetched as this may seem, few would have predicted that large Texas housing developments would have the economic support to feature leisure pools that border on aquatic centers. The same could happen with large residential multifamily projects in cities targeted to adults.

The most significant beneficiaries of all of these future waterplay trends will be the most innovative and reliable designers, builders, and developers who can envision where water fits into dry landscapes next to the flow of demand for waterplay across the US.

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