

Hotels Indoor Waterparks Boost Revenues, Extend Peak Season to Year Round

by Jeff Coy, ISHC

There are about 900 waterparks worldwide and nearly 400 of them are located in the USA. About 114 major waterparks in the USA have attendance over 200,000 visitors annually. Most of them are outdoor waterparks located in the Sunbelt states from California to Florida with some notable exceptions, such as the Wisconsin Dells. The Dells has 14 hotels with indoor waterparks. Some waterpark owners have built hotels adjacent to their parks. But now, there is a growing trend of building **hotels with indoor waterparks** that is significantly boosting occupancies, increasing revenues and extending peak season to year round.

How Did All This Get Started?

Over 20 years, three families --- the Waterman's (Noah's Ark), the Hellands (Riverview Park & Water World) and the Matteis (Familyland) --- have built their enterprises into the Wisconsin Dells' three major waterparks. They have proven that you can achieve success in a highly seasonal resort destination. What is the secret of Wisconsin Dells? The Dells is a natural scenic wonder that emerged into a summer family resort destination located near three major metropolitan areas --- Chicago, Milwaukee and Minneapolis. Can you build another waterpark resort destination that can match its success? Now, there's a whole new generation of hotels with indoor waterparks that are proving you can.



In the mid 1990s, five major resort families changed Wisconsin Dells from a summer resort to a year-round resort destination when they built their mega-resort hotels with indoor waterparks. Visitors to Wisconsin Dells increased from 1.5 million in 1993 to 2.5 million in 1998. Today, 14 hotels in the Dells area have some sort of extended indoor waterpark.

The plague of the hotel industry has always been low weekend occupancy. Business hotels that fill during the week tend to suffer on the weekends. Leisure hotels that do well on the weekends find it difficult to fill rooms during the week. Many, many hotel owners, managers and marketers want to know if the indoor waterpark can be answer to this age-old problem.

Hotels with indoor waterparks are mostly new construction and few in number. JLC Hospitality Consulting Inc, working with the World Waterpark Association, facility owners,

architects and other consultants, continues to gather a hotel-waterpark database of construction costs, industry operating expense ratios as well as before and after impact of indoor waterparks on hotel occupancy, average room rates and room revenues.

Typical Hotels Vs Hotels with Indoor Waterpark

In one Wisconsin Dells survey, it was reported that typical hotels achieved an annual occupancy of 45% with average room rates of \$70, while the hotels with indoor waterparks achieved 65% with average room rates of \$130. Remember, Wisconsin Dells is a summer resort destination with a 100-day season. But now, hotels with indoor waterparks are attracting guests all winter long.

In another hotel survey published by the World Waterpark Association, the Wisconsin Dells area was selected because it is a destination resort market with a sizeable number of hotels both with and without waterparks. JLC Hospitality Consulting calculated the occupancy and average room rates from charts published by the WWA.

Here you can compare the occupancy and average room rates of a typical hotel with swimming pool versus a new generation hotel with indoor waterpark.

	<i>Typical Hotel With Swimming Pool</i>		<i>Hotel With Indoor Waterpark</i>		<i>Incremental Performance</i>	
	<i>Occupancy %</i>	<i>Average Room Rate</i>	<i>Occupancy %</i>	<i>Average Room Rate</i>	<i>Occupancy %</i>	<i>Average Room Rate</i>
Jan	17.3	\$52.57	44.2	\$66.29	26.9	\$13.72
Feb	25.0	\$52.57	46.2	\$67.43	21.2	\$14.86
Mar	17.3	\$52.57	40.0	\$75.43	22.7	\$22.86
Apr	18.3	\$52.57	42.3	\$70.86	24.0	\$18.29
May	34.6	\$52.57	48.1	\$68.57	13.5	\$16.00
Jun	66.3	\$72.00	67.3	\$90.29	1.0	\$18.29
Jul	94.2	\$120.00	97.1	\$145.14	2.9	\$25.14
Aug	92.3	\$120.00	96.2	\$145.14	3.9	\$25.14
Sep	50.0	\$51.43	81.7	\$109.71	31.7	\$58.28
Oct	21.2	\$52.57	51.0	\$66.29	29.8	\$13.72
Nov	8.7	\$52.57	46.2	\$67.43	37.5	\$14.86
Dec	12.5	\$52.57	47.1	\$75.43	34.6	\$22.86
Year	38.3	\$83.13	59.1	\$97.11	20.8	\$13.99

JLC Hospitality Consulting Inc, World Waterpark Association. Based on a Wisconsin Dells hotel survey in Year 2000.

Hotels with indoor waterparks achieved nearly 21 points higher occupancy and \$14 higher room rates annually than hotels with ordinary swimming pools. The hotels with indoor waterparks achieved 30 or more points of occupancy above typical hotels in the September – December period and achieved 20 or more points of occupancy above typical hotels in the January – April period. Hotels with indoor waterparks do a superior job of attracting business during the slower shoulder months and the low months compared to hotels with just an ordinary indoor swimming pool.

When the major resort families in Wisconsin Dells built their mega-resorts with indoor waterparks, they changed The Dells from a summer resort to a year-round resort

destination. One hotel indoor waterpark will not make a resort destination. However, the first hotel indoor waterpark in any market will likely make that hotel the number one choice among hotels for the leisure travel segment. That hotel will increase its market share compared to all other hotels in the competitive area --- simply due to having an indoor waterpark. The hotel with an indoor waterpark will generate occupancy points and room revenues well above typical hotels --- especially in the hard-to-fill shoulder and low season months.

City and small town planners are always asking, "How can we boost our local economy through tourism development?" When communities take stock, get a vision and then encourage developers to improve on the tourism product, then a community can begin to create a resort destination, such as the Dells, Galena, Stillwater, Frankenmuth or Branson.

Developing a hotel indoor waterpark can be a complicated matter requiring the services of professional consultants. You will need expert advice regarding economic feasibility, architectural design, aquatic engineering, heating & ventilation, water quality and theming.

The new generation waterpark is different from the common indoor swimming pool with a few water attractions. New indoor waterparks may be designed as stand-alone community centers open to the public. Or they may be designed in conjunction with hotels and resorts for the use of their guests. The major difference between a community waterpark and a hotel waterpark is the requirement for extensive public showers and dressing areas in a public facility. If you are planning to construct a hotel indoor waterpark, most governing bodies will not require these extra dressing rooms and showers, since hotel guests have their own rooms for dressing and showering.

How Big Should Your Waterpark Be?

The size of the indoor waterpark will be dictated by the results of your Market Analysis & Economic Feasibility Report. However, an industry rule of thumb indicates that a 100 to 150-room hotel may be able to generate enough additional income to support the investment of a 15,000 to 20,000 square foot indoor waterpark. Hotels ranging in size from 150 to 250 rooms may be able to support a 30,000 to 40,000 square foot waterpark or waterpark.

Match Facility Design to Customer Preferences

The type of attraction you create is going to be dictated by the size and demographics of your leisure travel customer, the age of their children and the size of your indoor enclosure. Here is a discussion of three different attractions --- small, medium and large --- grouped by size of the facility and the age range of participants they will most likely draw. This will help you match your facility configuration to the needs and preferences of your customer or the customer you want to attract.

Waterparks Under 15,000 Square Feet

The *Kiddie Pool* or children's activity pool is the element that provides the most enjoyment for families visiting an Waterpark Under 15,000 square feet. This is a pool ranging in depth from 3 to 18 inches covering an area of 2,000 square feet. The pool should be equipped with a play element offering numerous activities in the form of spraying components, tilting buckets and slides ranging from 2 to 6 feet in height. A slide approximately 6-feet in height can have a length ranging from 45 to 50 feet in length.

The *Activity Pool* attracts guests ranging in age from 8-years to adult. This is usually a conventional swimming pool about 25 feet wide by 50 feet long with depths of 3 to 5 feet. The size of this pool is usually dictated by the activities included. This pool should provide a variety of activities, which allows for the mingling of larger groups. Design the Activity Pool to accommodate several movable water basketball hoops which allows a variety of water basketball activities. In addition to hoops, you can outfit this pool with a volleyball net --- enabling groups to play water volleyball.

The *Whirlpool* is the third element that should be included as a basic element of any indoor waterpark. Whirlpools are excellent gathering areas for adults and accommodate younger children. The whirlpools should be located away from the Kiddie Pool and as far from the activity area as possible. This will allow a conversation area for older adults using the facility. It is also important that the whirlpool is themed to provide a pleasing environment. For example, a waterfall is a very relaxing whirlpool feature.

The *Game Room and Snack Bar*, while not required, will provide excellent additional income for your facility and should be considered based on the type of guest your Waterpark attracts. Locate your game room adjacent to the waterpark in a highly visible area. To provide a more stable environment for the game room, you may want to separate the game room from the waterpark using a glass wall. By adding the snack bar to this area, it is possible to include a dollar changer and vending machines. This will reduce the need for an additional employee. The addition of a snack bar will attract guests for a longer period of time. These suggestions will greatly enhance the profitability of the game room.

The goal of the design of the indoor waterpark is to provide a relaxing enjoyable environment for families to spend from 4 to 6 hours. An waterpark under 15,000 square feet will accomplish this goal and provide a weekend getaway or mini vacation for a family with children 12 and under. The theming of this facility is extremely important. Do not ignore theming. Theming should fit your particular budget, but in no case should theming be overlooked.

Waterparks Up to 30,000 Square Feet

Waterparks of this size will attract families with children up to about 14 years of age. In addition to the elements mentioned above, the waterpark of 20,000 to 30,000 square feet would include waterslides with splashdown pools. For facilities close to 30,000 square feet, you should add a leisure river.

Waterslides are a very important element to include in the design of an indoor waterpark. The most popular waterslide is a partially enclosed slide that uses *double or figure 8* inner tubes. The major advantage of this slide is that it allows two riders to slide on a tube at the same time, which is simply more fun and encourages interaction between guests. The second most popular waterslide uses a single tube. The third most popular is a conventional body slide.

In a facility where space is limited, the splashdown area for the tube slide or body slide can use a runout flume. If space permits, you can connect the splashdown pool to a leisure river to greatly increase the capacity and enjoyment of the indoor waterpark. Leisure rivers are usually designed with a minimum width of 10 feet and a length dependent on the size of the indoor enclosure. Theming a leisure river also provides increased enjoyment of the ride. There are numerous themes, photo projection, and laser light shows that can be incorporated into the design of the waterslide facility to add excitement. These additional attractions will increase the cost of the facility and should be added only after the budget for theming the facility is set.

Waterpark Above 40,000 Square Feet

Larger indoor water facilities can be designed to include action rivers, wave pools and waterslides. With the addition of these elements, it will likely become necessary to include the public, along with hotel guests, in the waterpark experience. If the decision is made to allow the public into the facility, it is extremely important to limit the volume of outside users. In many cases, the hotel guests will be paying a \$30 to \$50 premium on their hotel room for the use of the indoor waterpark. Therefore, it is important that hotel guests do not feel their enjoyment is being hampered by the inclusion of walk-in guests.

Heating, Ventilating & Water Quality

We recommend you work with a design firm familiar with indoor waterparks.

Design considerations for an indoor waterpark are completely different from a conventional indoor swimming pool. To provide maximum enjoyment, most kiddie play elements will spray a great deal of water and result in high humidity and evaporation. The result of the excessive aeration is the spread of chloramines and other compounds, which if not dealt with properly will result in excessive corrosion and deterioration of HVAC systems and other equipment as well as a hazard to health. The corrosion and deterioration of these systems and equipment produces air quality that is uncomfortable and possibly dangerous for guests and employees.

Past experience indicates the optimum water purification system will include not only a chlorine or bromine system, but also an ozone system to reduce the chloramines formation and improve air quality. Waterborne pathogens must be eliminated from the water, circulation system, HVAC system and the air.

Due to the many design considerations and thought processes incorporated into the development of an indoor waterpark, JLC Hospitality Consulting Inc works with specialty consultants and a design team with hands-on experience.

Want to boost hotel occupancy and revenues? Do you want to extend your peak season to year round? Think about enclosing your outdoor pool with a 30 to 50 foot high structure that includes several waterslides and a lazy river. Think about pool expansion, renovation or the new construction of a hotel with indoor waterpark.

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