

Hotels That Add Attractions & Promote Close to Home Will See Visitor Boost

By Jeff Coy, ISHC

The cost of the September 11 attacks on the \$168 billion tourism industry was \$16 billion in 2001. Recovery during 2002 was poor for the major tourist destinations, like Orlando, that relied heavily on air travel. These destinations saw fewer visitors. However, smaller regional markets with attractions and hotels closer to home saw a resurgence --- if they returned to backyard marketing and appealed to the drive market.

Before the attacks, tourists flew in airplanes. Now, tourists don't want to fly in airplanes. They are waiting for news of improved airline security, shorter-faster lines and less hassle. When the airlines and government can assure America that its skies are safe, the tourism industry will rebound. The airlines were pretty close to worst-case scenario in 2002 with a small recovery in 2003. Until then, many leisure travelers are content to venture out to casinos, amusement parks and hotels within a day's drive by car. Hotel owners with attractions or near attractions that understood how to market their product closer to home saw a boost in business.

Adopt two simple strategies and you'll be more likely to prosper in the Post 9-11 era:

- Make Your Hotel More Attractive
- Promote Your Hotel Closer to Home

Make Your Hotel More Attractive

There is an old saying in the hotel business that visitors don't come to stay in your hotel, they come to see and do things in the area, that lodging is just a place to sleep. You can toss this old saying out the window. Today, hotels are looking more like attractions.

In Wisconsin Dells, a mecca for family entertainment, 18 hotels have indoor waterparks that appeal to all ages from toddlers to teens and adults. For example, the 158-room Rain Tree Resort Conference Center has a 12,000 sf indoor waterpark that appeals to the 8 to 12 age group. Great Wolf Lodge, with 308 rooms, has two indoor waterparks totaling 44,000 sf that appeal to older kids and adults. Treasure Island has a 50,000 sf indoor waterpark with four gigantic slides. Wilderness Hotel & Golf Resort boasts two 500 ft tube rides that go outside the building and back in, then splash into a river. Kalahari Resort has a 105,000 sf indoor waterpark with entertainment for all ages. Since these hotel indoor waterparks have opened, visitors to Wisconsin Dells increased from 1.5 million in 1993 to 2.5 million in 1998.

In a recent survey, hotels with indoor waterparks at Wisconsin Dells achieved 30 points of occupancy above typical hotels with ordinary swimming pools during the September –

December period and achieved 20 or more points in the January – April period. Hotels with indoor waterparks do a superior job of attracting visitors during the slower shoulder months and the low months compared to hotels with just an ordinary indoor swimming pool. And some hotel indoor waterparks get a \$20 per person premium on the room rate.

Can You Duplicate The Dells Success in Other Markets?

A small but fast-growing number of developers are proving that you can. These developers, with the help of feasibility consultants, are building hotel-waterparks to solve the weekend occupancy problem, extend peak season to year round and to significantly increase room revenues. Recent additions include:

Holiday Inn & Suites, Owatonna MN. Located on I-35, 1-hour south of Minneapolis, this 120-room hotel is connected to a 15,000 sf indoor waterpark with two 40-foot high waterslides that splash into pools connected by a lazy river. Opened in late 1999, this hotel indoor waterpark surpasses its competitive set in terms of both occupancy and room rate. Developed, owned and operated by Central Group Management Company of St Cloud MN. Contact Bob Pace at 320-654-6307.

TownePlace Suites by Marriott, Minneapolis MN. Located downtown in a renovation of the old Milwaukee Road Depot, this hotel, waterpark, ice rink and train museum is a one of a kind hotel attraction. Developed, owned and operated by CSM Corporation of St Paul MN. Contact Steve Dubbs at 651-646-1717.

Paradise Landing at Hilton Milwaukee City Center. Connected to the Midwest Express Convention Center, this 14-story, 729-room, 1920s hotel reopened recently with a 20,000 sf indoor waterpark and 30,000 sf of meeting space --- appealing to groups, business and leisure markets. Owned, renovated and operated by Marcus Hotels & Resorts of Milwaukee WI. Contact Bill Otto at 414-905-1200.

Holiday Inn & Suites, Madison WI. Located in an office park in west Madison, this 158-room hotel opened in mid 2000 with a 4-story indoor waterpark, two pools and a 55 ft waterslide. Owned and managed by WISCO Hotel Group. Contact Todd Winkler at 608-826-0500 or Jean Winkler at 920-923-1440.

Other hotels with indoor aquatics opened or under development include:

- Black Bear Lodge, Utica IL
- Bavarian Inn & Lodge, Frankenmuth MI
- Great Buffalo Lodge, Traverse City MI
- Best Western Sterling Inn & Conference Center, Sterling Heights MI
- Best Western Holland House, Detroit Lakes MN
- 7 Clans Casino Hotel, Thief River MN
- Comfort Suites Rapid River, Baxter MN
- Grand Country Inn, Branson MO
- Holiday Inn Express, Norfolk NE

- Country Inn & Suites, Bismarck ND
- Great Bear Lodge, Sandusky OH
- Holiday Inn, Aberdeen SD
- Timber Ridge Lodge, Lake Geneva WI
- Microtel Inn & Suites, Green Bay WI
- Ramada Plaza, Green Bay WI
- Fox River Resort, Green Bay WI

Can the first hotel-waterpark entering a new market make a go of it? What demographics and market support at The Dells must be present in the new market to reduce risk and increase the degree of success for developers? This is work for independent consultants.

No hotel-waterpark industry standards have been consolidated or published as yet. A few lenders know what an indoor waterpark can add to hotel room revenues. But almost all lenders will insist that you get a market analysis & economic feasibility report from a professional consultant that understands both hotels and waterparks.

JLC Hospitality Consulting Inc of Rochester MN, William L. Haralson & Associates of Richardson TX and Planning Associates of Madison WI are working together with the World Waterpark Association, hotel owners, suppliers and technical consultants to gather a hotel-waterpark database of construction costs, industry operating ratios as well as before and after impact of indoor waterparks on hotel occupancy, average room rates and room revenues.

How Can You Ride the Wave?

An outdoor pool is a must-have but seldom-used feature of many older hotels that generates very little revenue per square foot. If you have a hotel with an outdoor pool, you may be popular during hot weather, but your outdoor pool does nothing to attract leisure guests on weekends and during school breaks throughout the rest of the year.

So, what can you do? Get rid of your outdoor pool? Build an enclosure over the top of it? Add waterslides, pools, rivers and equipment that will engage children and adults in active rather than passive play? What age group will you appeal to?

What if your pool is already enclosed? What is the height of your enclosure? Can you install waterslides within the footprint and height of your pool enclosure? Maybe you should do nothing! Perhaps, constructing a new indoor waterpark and adding more guest rooms is the best answer. It all depends upon the demographics of your market, your hotel configuration and your competitive performance. These are not easy questions to answer.

When you want to increase the *entertainment value* of your hotel, you need a consultant with both hotel and waterpark-recreation-entertainment expertise. Consider hiring professionals that know how to analyze your current situation, the potential of the leisure

market you want to attract. Select a firm that will give you product recommendations and costs and re-forecast your financial performance.

Hotel Waterpark Resort Research & Consulting is a collaboration of Jeff Coy and Bill Haralson. Coy is certified by the International Society of Hospitality Consultants. Haralson is a Hall of Fame member of World Waterpark Association. For more info, contact Jeff at 507-289-7404 or email jeffcoy@aol.com. Website is www.jeffcoy.com. Reach Bill at 972-231-7444 or email wharalson@aol.com.