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مجلس الشرق الأوسط وشمال أفريقيا للترفيه والجذب السياحي
Middle East and North Africa Leisure & Attractions Council

VENDOR TALK – JANUARY 2023

HOW TO OPEN AND MANAGE A FEC?

YOUR COMPLETE GUIDE

Article by:

FUN SPOT

Introduction

When considering whether a family entertainment centre (FEC) business is for you, there are several aspects to consider. As an entrepreneur, knowing where you are going and if you will have support throughout the process is essential to make sure that the business is as profitable for you as it is enjoyable for your visitors.

Market Study – Target Audience & Competition

The FEC market is fast-growing , and it has evolved over the last few years due to technological development, coupled with a pent-up demand after the Covid19 driven lockdowns.



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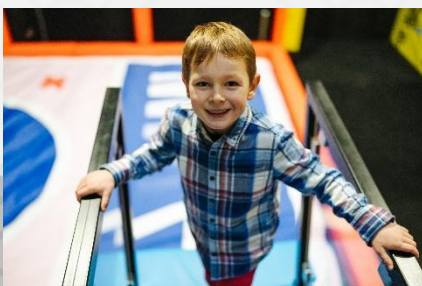
There are many reasons, some listed below, why an FEC business can be lucrative if managed well:

- **Investors** are looking for businesses with growth opportunities to invest in.
- Fun activities are a great way for **children of all ages** to learn new skills. It helps in their mental development and growth, while nurturing their physical, mental, emotional and intellectual skills.
- The segment of **families with children aged between 9 and 15 years** are more focused on shaping their children's future through fun activities.
- **Young adults** consider physical activity and sports as a positive aspect of their lives which promote values related to their overall well-being.
- **People are becoming more health conscious.** They are looking for fun activities which will help them stay fit and active.

However, do not rush, take your time to research:

- **The market:** What are the current trends? Size of the market you want to cover?
- Your **target audience:** Who is your ideal target audience (demographics, habits, situation, needs)? -> You will need to **create your personas**.
- Most leisure park owners target people between the ages of 5 and 25 or 10 to 30.
- Your **competitors:** Who are they? Where are they located? Their pricing strategy? Having competition in your market will motivate you to be more creative and to differentiate your park from others.

This will help you gain insights and make the right decision for your business planning while considering all your options.





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Your Building - Finding the Right Location

Starting Point

Do you already have a location and/or building? Here is a list of things to consider about your choice:

- Easily accessible from major residential areas
- The building is near other businesses that families frequently visit
- Be sure your new space can cater to an underserved market
- A parking lot with enough spots in front of the building or nearby considering the capacity of your FEC.

Up-fit or Up-start?

An Up-Fit facility is an existing building like a former big-box store that can be “up-fitted” into an FEC. An Up-Start facility involves envisioning a new concept and erecting a brand-new building on a parcel of land that you own or outfitting the interior of a new building that you lease.

Building Constraints

Some attractions have specific requirements to be safe and profitable. Pay attention to the height, width and type of walls of your building as they will determine which attractions you can include. In addition, you will need to think about the other elements your park will need, such as a reception area, changing rooms, briefing room, toilets, party rooms or F&B. You need to include this in your floorplan.

Your Building - Finding the Right Location

As all leisure centres, you should consider featuring a variety of attractions that will attract people from all walks of life, such as:



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- **Trampoline attractions**, for example a main court of our sport attractions
- **Fun climbing**
- **Extreme Attractions:** Ninja Courses, Rope Courses, Freedom Gaming or any other.
- **Interactive games** over trampoline, climbing or as a stand-alone attraction.
- **Soft Play/Junior Area:** worry-free, safe and stimulation spaces.
- **Standards:** Quality and the respect of international standards must be a priority for you when deciding attractions that you would like to install.



Business Plan – Financing Your Project, Ensuring Profitability

Writing a good business plan is always the first step in creating a good and profitable business. By answering some basic followed by more specific questions, you will clarify many aspects of your project:

- How much is this project going to cost?
- What is the estimated cost of all the equipment and supplies? Staff costs? Operating costs? Insurance costs?

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- How am I going to finance this project? Do I have the budget, or do I need external financial support?
- How long will the whole process (from choosing the building to the opening) take?
- How many visitors per day (or week) do I need to be profitable?
- How much should the entry fee be? Only one price or different prices for different sections and price packages?
- How long until I break even?

Budget - Material and Staffing Requirements

- **Equipment cost**

The starting point for a turn-key investment is €250,000 (or AED990,470+) for 650sqm building. Plan your budget ahead as you might have to hire an architect and a general contractor to advise you.- In addition, you must include the cost of all the amenities: lockers, party rooms, F&B etc. Specific materials can be required for safety, cleaning or administration of your park. Think about your IT equipment, fire alarms or cleaning products.

- **Staffing cost**

The total number of staff required in your centre will depend on the size, how many activities and which activities you have, and what is required from each one of them.

- **Running cost**

Once your centre is open, there will be other costs, such as rent (in case you are renting), utilities, maintenance, insurance, marketing etc.
It is important to factor in these costs to set a clear budget from the beginning.

Tip: Make sure that you keep aside an emergency fund, so that in case there are any hiccups along the way you can still ensure business continuity.

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Budget - Material and Staffing Requirements

Never underestimate the impact your customers have on your centre. If they see you as a benchmark of leisure activities, they will become your brand ambassadors because they will recommend you to their friends and family.

Customer experience is an important part of business that requires the implementation of a real strategy. To become a major player in your sector, it is important to differentiate yourself from your competition, by offering additional services:

- Animations on site: events, games, or any other activity that might attract more people
- F&B with a wide variety
- Party packages
- Corporate team building activities
- Lessons for all ages, according to your attractions (fitness, climbing, or other)
- Digital presence through website and social media
- Merchandising

Marketing Plan – Branding and Communication

- **Branding and Personalisation**

Having a good logo is not everything. You need to think big on how the combination of your graphic boards and the design of your full park will respect your identity to **create a unique design and atmosphere**, so people can recognise your centre elsewhere. For example on communications, pictures, posts shared by your guests etc.

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- **Create a 6-month marketing plan**

When planning to open your centre, you need to think about how and where you are going to communicate, which digital tools you need, and if you will have internal staff take care of it. Plan in advance for your grand opening, special events and promotions that intrigue and attract guests and decide on advertising channels and budgets that will make a splash in your community. Look what others are doing and take notes.

When marketing your multiactivity centre, provide clear information so people know exactly where to purchase the tickets (website, directly at the centre etc.). Be sure to let everyone know about your theme (if there is one) and the activities that you offer for different group ages, while leaving some details a mystery so guests will want to come and discover it.

- **Loyalty programme**

Consumers today are more loyal to brands whose values they can identify with. Therefore, a great way to differentiate yourself is by offering a loyalty or rewards programme. A well-designed programme can help you with these 4 things:

- **Encouraging in-the-moment spending:** Many visitors will be encouraged to spend a little more to get closer to their next reward benefit.
- **Motivate influencers and increase conversions:** Brand influencers can provide you word-of-mouth referrals that make you an attractive choice in the minds of their audience.
- **Gain insight into the personas and buying behaviours of your guests:** Loyalty reward programmes that accumulate points based on overall spending are a great option because they provide an insight about your guests' visit frequency, spending, what they're buying and how they're engaging with your attractions.
- **Getting feedback from the people who know you best:** Your visitors can serve as a great resource to help you understand where your operations and staff excel, and where they don't.

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Day-to-day Management

The main part of the development process is done, but you still need to think about the ongoing management of your centre once it opens. There are 3 key elements that will give your centre the quality you are looking for:

- **Training**

It is important to have a full training package (onsite training, manuals and videos) so your team can be ready.

Opting for a **pre-opening** allows you to perform a trial run to identify and solve any issues before the official opening day. This will give your staff the opportunity to adjust to their normal workday, so they will be prepared to give your visitors the best experience possible.

- **Security**

Above all, make sure to secure your FEC by:

- Writing clear and precise rules and guidelines.
- Making it mandatory for ALL visitors to read and understand the rules and guidelines BEFORE starting a game.
- Having a well-trained supervision team with motivated employees
- Developing your own risk management manual to make sure you can identify and prepare for all potential risks.

A secure park is a guarantee of success!

- **Maintenance:**

The maintenance and inspection of an FEC can seem difficult because there are many different materials and structures to look into. Make sure you have checklists for routine inspections, and an annual maintenance to ensure the standards and quality of the products.



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