

*Specializing in the skating industry*

# Benefits to the Community

## INTRODUCTION

Why should you build a skating rink in your community? The skating industry professionals here at VSC Sports have done the research necessary to answer this question for you, and have included some statistics and data in support of this idea. This section will also explain the tremendous growth that the skating industry has experienced in the past several years. Certainly, many markets are large enough to support a skating facility, and the need for skating time is apparent with the interest and current growth rate in the sport of ice and roller/in-line skating. All industry indicators show strong, clear and continuous growth patterns in these areas, as the following report will demonstrate.

## COMMUNITY BENEFITS

Consider this scenario; A group of people within a certain community decides to come together and build a skating rink. A local athletic coach, perhaps, who rallies the support of other school officials, having recognized the need of his/her young athletes for a rink in the area. Or maybe a few ardent parents come up with the idea, being interested in having a safe recreational haven for their children. They form committees, organize fund-raisers, obtain signatures for petitions-of-support, and spend countless hours on the phone with other citizens, discussing the idea of a rink in their town. Children spend their free time walking from business to business, asking for sponsors and donations. Hundreds of letters pour into the local politicians' office, requesting assistance. The local news interviews those involved whom ask for community support. Soon the town leaders have committed their support. Local merchants, the media - everyone is behind this idea.

The community has never been as unified, as all involved await the completion of the rink. The facility finally opens, with all the regalia of any Grand Opening, with a ribbon cutting ceremony, free refreshments, flyers citing upcoming rink events and all of the other services available that includes skating classes, public skating sessions and special weekend sessions that feature a specific, fun theme.

As time passes, certain residents enroll themselves and/or their children in advanced figure skating and hockey classes. Amateur adult and children's hockey leagues form. All involved are serious about their performances and perhaps advancing into professional skating. Thus, many of the local leagues as well as the schools negotiate contracts with the rink to rent specific times on the floor for their practices as well as their games, which residents happily pay admission to see in the comfort of this brand new state-of-the-art facility.

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Local merchants also show their support by sponsoring a youth or adult teams and purchasing advertising space in the rink, on dashboards or billboards. The rink schedules hockey games, figure skating competitions, tournaments, and numerous other activities. These attract not only local residents to spend their dollars on admission, rentals, in the snack bar and the pro shop, but also people from other communities, as far as 30 miles and possibly up to 100, who come for the skating events and spend their money in local hotels, restaurants, shopping centers, etc., thus benefiting the entire town's economy.

In addition to the marketable entertainment and recreational value a rink offers, there is also significant benefit with the opportunity for new employment in the community. A community skating center will provide many jobs for professional adults as instructors and management, as well as part-time entry-level jobs for the younger residents. The following is a list of jobs available at a typical skating rink:

- *Manager*: Responsible for overall general management of day-to-day activities at the facility.
- *Assistance Manager*: Responsible for assisting the Manager in running the facility.
- *Program/School Director*: Responsible for designing, implementing and directing all skating programs and classes.
- *Shift Manager*: Responsible for managing the staff and rink activities assigned to her/him during a specific work shift.
- *Sport Shop Supervisor*: Responsible for management of the Sport Shop and its employees. Includes monitoring finances, merchandise etc.
- *Outside Sales Representative*: Responsible for the selling of skating time to interested parties, such as school groups, hockey leagues, broomball teams, and for any other special event, as well as promoting the rink and any other events and programs associated with the facility.
- *Administrative Assistant/Office Manager*: Responsible for secretarial and office duties such as personnel records, payroll, basic bookkeeping, check book for C.O.D. payout, monitoring of office supplies, etc.
- *Skate Guard*: Responsible for cleanliness around the rink, the handing-out and return of skate rentals, as well as maintaining orders on the rink floor during public sessions.
- *Maintenance*: Responsible for repairs and maintenance around the facility.
- *Security*: Responsible for the overall safety and security of guests, employees and the facility.
- *Disc Jockey*: Responsible for coordination of the musical accompaniment at public and special skating sessions.

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- *Hostess/Host*: Responsible for all aspects of a pre-scheduled birthday party event.
- *Cashier/Receptionist*: Responsible for answering phones and directing calls, the collection of admission and/or rentals fees, as well as fees for classes, private lessons and whatever else the rink may be charging for.

## **THE PARENTAL ATTRACTION**

Building a rink in your community provides a safe, entertaining, and recreational activity for people of all ages. Parents are always in search of safe and economical alternatives to keep their children busy, and free up their personal time. A family-oriented skating center can serve as one of those alternatives. Unlike a shopping mall, which has become the traditional place for young adults and adolescents to gather, a skating rink provides continual supervision and stresses the importance of safety. Parents can feel confident in dropping their children off at the skating rink while they run errands, knowing that not only will they be effectively entertained, but safely supervised as well. Similarly, the local rink will become the place for planned social events like birthday parties, or a post-hockey game get-together.

A survey conducted by an independent market research firm, The Matrix Group, found that of all rink patrons interviewed, at least 64% had attended a birthday party at a skating rink. Teenagers and younger children will meet their friends at the rink to spend the day skating, with parents cash-in-hand for use at the snack bar and vending machines. This is the time when certain children, showing particular interest would be urging their parents to enroll them in a hockey or figure skating class.

Keep in mind also, that in this modern age of a larger singles population than ever before, your rink is the perfect place for “parents without partners” to meet each other. The same study by The Matrix Group reported that 60% of those interviewed felt that skating was, “[a] good way to meet people.” A rink owner could capitalize on this and promote an over-thirty skate night, where the DJ plays “hits of the sixties”, for example.

## **OVERALL POPULARITY**

Through the years, many national and international skaters have brought pleasure to millions of Americans. Some personalities, such as Sonja Henie, Peggy Fleming, Dorothy Hamill, Tai and Randy, Toller Cranston, Torvill and Dean, Scott Hamilton, Brian Boitano, Michelle Kwan and Nancy Kerrigan, to name only a few. These celebrities have risen from the ranks of champion amateur skaters to share their special gifts with the world, creating greater public awareness and giving figure skating a tremendous boost in popularity. In the past several years, there has been an immense amount of media attention given to the entire skating industry. One of the most significant factors was the Nancy Kerrigan and Tonya Harding incident. This unfortunate situation spotlighted a sport that previously had only been watched by the avid fan. In the year following this soap-operaesque event, skating's popularity has skyrocketed:

- A bulletin issued by the United States Figure Skating Association (USFSA), reported that Figure Skating ranks as the most popular sport among American women and their teenage daughters.
- According to the National Sports Survey II, conducted by the National Sporting Goods Association (NSGA), the largest sports and lifestyle study ever conducted in the U.S., ladies' figure skating ranks as the second most popular sport in America. NFL football is number one.
- According to the Ice Skating Institute (ISI), more than 30 million people now skate between one and five times per year.
- A survey done by The Matrix Group found that the average rink patron visits their local rink an average of 7.9 times a month.
- A few years ago, Sports Marketing Systems in Dallas did a study of the relative popularity of spectator sports in America. Out of the fourteen events ranked, Women's Figure Skating ranked eighth, Pairs Figure Skating ranked ninth, Pairs Ice Dancing was tenth, and Men's Figure Skating, eleventh. Overall, Ice events ranked even higher than college basketball.
- A bulletin issued March 14, 1997 reported that the Ice Skating Institute's (ISI) membership has increased by 18.6% between 1994 and 1996, by more than 3,000 new members in only three years.
- Between 1988 and 1993, the USFSA's membership doubled to 23,000. After the 1994 Olympics membership jumped up to 125,101.

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- Membership within the Canadian Figure Skating Association went from 165,576 individuals in 1990, to 193,008 in 1996.
- In Canada, an average of 6 million people skate recreationally, per year.

A second important milestone for the current skating industry came with the 1994 Winter Olympics. Consider the following statistics:

- On Wednesday, February 23, 1994, nearly half of the television sets in American homes were tuned in to the 1994 Winter Olympics ladies' technical program. This incredibly high rating made television history as the fourth most-watched broadcast ever.
- On Friday, February 25, 1994, 12 million people were watching the ladies' long program. That broadcast was the sixth most-watched program in television history and the highest rated broadcast on any Friday night, ever.

These historic ratings have paved the way for a more welcoming attitude from the networks. After the Norway Olympics, ABC signed a six-year, \$4.5 million contract with the USFSA to televise four events per year. Still basking in the glow from the ratings of this event, we are now turning our attention to the upcoming 1998 Winter Olympics to be held in Japan. According to Philip Hersh, Olympic sports writer for the Chicago Tribune, "CBS, which owns broadcast rights to the 1998 Olympics, will begin its buildup next year, which means it will be concentrating on events with Olympic-eligible skaters":

- According to a recent article in *Sports Illustrated*, "between October 1996 and March 1997 figure skating is scheduled to provide 162.5 hours of programming to ABC, CBS, NBC, Fox, ESPN, TBS, and USA."
- Events already scheduled to air for the Spring 97' season: <sup>1</sup>
  1. The NutraSweet Challenge of Champions, on ABC
  2. Disney's Scott Hamilton Upside Down, on CBS
  3. Battle of the Sexes on Ice, on Fox
  4. MCI Presents: Three Masters on Ice, on TBS
  5. World Figure Skating Championships, on ABC and ESPN
  6. The Cotton Incorporated Ultimate Four, on NBC
  7. Hershey's Kisses Figure Skating Challenge, on ABC
  8. Campbell's Soups Tour of World Figure Skating Champions, on ABC
- "[From] September to April [96/97 Season] more than 60 competitions and exhibitions will be televised to a viewing audience of more than 3 million per show." quoted the December 1996 issue of *People Magazine*.

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<sup>1</sup> Taken from the week of March 8, 1997 issue of *TV Guide*

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- The ratings for an NBC telecast of the 1994 World Championships beat CBS's NCAA basketball tournament telecast.
- A skating exhibition that aired on TBS matched that cable network's average rating for all of its 1993 Atlanta Braves telecasts, a division-winning baseball team.
- During the 1996 summer television season, more people watched skating than any other sport, except professional football.
- The top-ranked skating shows during the 1997/98 winter season were (in million viewers):
  1. U.S. Figure Skating Championships (ABC, Jan. 10) 11.2
  2. Scott Hamilton: Back on the Ice (CBS, Nov. 5) 10.9
  3. Ice Wars: USA vs. the World (CBS, Nov. 28) 9.1
  4. Snowden on Ice (CBS, Nov. 28) 8.8
  5. U.S. Figure Skating Championships (ABC, Jan. 8) 8.0
  6. Battle of the Sexes on Ice (Fox, Jan. 2) 6.5
  7. World Team Figure Skating Championships (CBS, Dec. 27) 6.3
  8. U.S. Figure Skating Championships (ABC, Nov. 1) 6.3
  9. U.S. Figure Skating Championships (ABC, Jan. 10) 5.3
  10. Skate International, France (Fox, Nov. 29) 4.3
- Consider also the list of shows-on-ice currently scheduled for the public: Stars on Ice, Nutcracker on Ice, Disney on Ice, Disney's Beauty and the Beast, Symphony on Ice, the Kristi Yamaguchi special, the Torvill and Dean tour, the Nancy Kerrigan tour, and the Tom Collin's Tour of World and Olympic Champions.
- More than 160 hours of skating will be broadcast in 1998, up from about 30 hours at the start of the decade.

And last, but no where near least, is the incredible and continuously steady rise in popularity of the sport of hockey that the U.S. has been experiencing within this last decade. The most significant aspect of this, recently has been amateur In-line skating and Roller hockey:

- The National In-line Hockey Association found that 40% of its members who responded to a reader poll in their magazine, *Hockeytalk*, play roller hockey between three and four times a week. 30% said they play more than five times a week.
- A 1996 article from *Athletic Business* reports that since 1990, the number of teams registered with USA Hockey has increased by 76%.
- Just six years ago, there were only 30 minor league hockey teams in 11 states. In the 1991/1992 season, there were 50 teams in 32 states. Today there are 61 teams, which are projected to draw an attendance to their games of over 11 million people this season. That's a 379% increase in just over half a decade.

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- The American Hockey League broke its all-time attendance record for the 1995/1996 season with a count of 3,756,921 fans that attended their games. This marked the ninth consecutive season that the League had broken this record.
- The Canadian Hockey League has over a half million registered members. This current membership has grown by 26% since 1991.
- 53 million people watched CBS's Eye on Sports event, which featured a figure skating series, aired November 1994 through January 1995. Eye on Sports was the highest rated sports show, other than football and one NBA game, in the fourth quarter of 1994.
- A 1995 survey of sports participation, conducted by the National Sporting Goods Association (NSGA) found that out of 54 sports surveyed, In-line Skating has grown by 550% in the last five years.
- The NSGA also reported that in 1995, 2.5 million people participated in the sport of ice hockey. This estimate shows an increase of 29% from the 1994 report.
- Director of Information and Research for the National Sporting Goods Association, Thomas B. Doyle called In-line skating and roller hockey, sports with "staying power". In-line Skating, of course, is the precursory to Roller Hockey, which in turn can lead to Ice Hockey, or vice versa.
- In November of 1996, a one-hour primetime special introducing the new animated series the *Mighty Ducks*, appeared on ABC. This special featured the voices of real-life Mighty Ducks players Guy Herbert, Paul Kariya and Teemu Selanne, with guest "appearances" by Dennis Franz (NYPD Blue), Tim Curry and David Hyde-Pierce (Frasier). This, now favorite, children's series was prompted by the extreme popularity of the three "Mighty Ducks" motion pictures, produced by Disney. These films, of course, brought the world of Ice Hockey to millions of children throughout the world, as well as their parents, who previously, had not been exposed to this sport.
- According to a February 5, 1998 Los Angeles Times article, "the number of youth ice hockey leagues has soared to 27,000, from 12,000 in 1985".
- Significant, also, was the induction of women's ice hockey as an Olympic sport for the Nagano, Japan games in 1998. Since 1990, there has been a 321% increase in female hockey players registered with USA Hockey.

## **CONSUMER SPENDING**

A further consideration when thinking of investing in a business is an analysis of where consumers are spending their money, and whether they will spend it at your particular place of business. In light of the undeniable popularity of skating-related sports, as was illustrated previously, it is not hard to see that this sport offers a lasting and widespread market potential.

“That elusive group of 18-to-34-year-olds, which buy a large portion [of] merchandise, are packing NHL arenas, playing hockey on and off the ice and watching the NHL on TV. If that’s the demographic you’re targeting, take note: a higher percentage of 18-to-34-year-old males watch NHL games on TV than any other sport.”, says Richard L. Dudley, Senior Vice President of the NHL Merchandise Directory. At the other end of the spectrum, you have the 18-to-34-year-old female. And what was the most popular sport among women of this age range, according to the USFSA? That’s right - Figure Skating.

These known facts demonstrate that this is a sport that is at once feminine and masculine, it has appeal to people of all ages and both sexes. While your rink will be making money from the occasional recreational skater, on admissions, rentals, snack bar and so on, consider also that advanced figure and hockey skating are equipment intensive sports, and the equipment can get expensive. Equipment that will be readily available in your pro-shop:

- A survey conducted by The Matrix Group for the RSA<sup>2</sup> found that of all rink patrons interviewed, 59% own their own skates.
- This same survey also showed that 23% of rink patrons spend at least \$25 on themselves per week. More than 50% of those interviewed said they spend between \$6 and \$25 per week. (Less than 25% reported having less than \$5 to spend on themselves per week.)
- The National In-line Hockey Association’s 1996 reader poll found that 54% of their readers spend at least \$300 per year on equipment. It was estimated from this survey that approximately 35% of members spend more than \$600 per year on equipment.

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<sup>2</sup> The Roller Skating Association.

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- In 1990, In-line skate sales totaled \$53 million. By 1994, sales had reached beyond the \$250 million mark.
- In 1993, 12 million people bought In-line skates, more than tripling the number recorded in 1990.
- More people spend money on In-line skating equipment than they do on recreational football, soccer, skiing or tennis.
- Middle to upper class families' children is the primary participants in skating-related sports. This is a group with a large amount of strong spending power.
- According to the Ice Skating Institute, (ISI) more than 30 million people now skate between one and five times per year.

Keep in mind, that In-line skating is considered the first step towards amateur hockey, roller and ice. A survey conducted by the National In-line Hockey Association found that 1/3 of all its readers who answered their poll, play both ice AND roller hockey. This information was provided by the National Sporting Goods Association (NSGA) and National In-line Hockey Association (NIHA).

It is also important to note that during economic depressions and recessions, the recreation and entertainment industries have historically always continued to do very well. According to a study conducted by the Tax Foundation, the money that families spend on recreation increased by 35% between 1984 and 1994. In that same ten year period, the money that families spent on taxes had only increased by 20% and the money spent on housing by 16%. In addition to this well-established fact, the cost of skating for a family is quite inexpensive compared to other activities.

Amusement parks will charge more than \$30.00 for one admission, and this does not include food or souvenirs. A day for a family at an amusement park can easily add up to over \$200.00. Skating, on the other hand is a moderately priced activity for the occasional recreation skater. In a recent study conducted by The Matrix Group, 43.6% of rink patrons interviewed said the primary reason they go skating is because, "it costs less than other activities". It is comparable with going to the movies, bowling, miniature golf, etc.

## LASTING EFFECTS

The sport of skating is a lifetime activity. People of all ages and abilities can enjoy it, as often as they like, rain or shine. For the person who enjoys the rigors of competition, figure skating offers a challenge every bit as demanding as that found in ice hockey or speed skating. It is a medium for artistic expression, a sport of both solitude and sociability, in addition to being healthful. Many skaters start when they are very young and keep active in the sport for their entire life. These individuals have realized the long-term benefits of this sport:

- “Ice skating is a wonderful form of exercise. The benefits one gets from ice skating are cardiovascular benefits, improved muscle tone, and the overall benefits that anyone receives from participating in an activity that works the body.” reads one of the lines from an article in *American Skating World*, March 1994.
- A recent study done at the University of Massachusetts in Amherst shows that the aerobic benefits of In-line skating, at a moderate speed (12 m.p.h.) are far superior to those of stair climbing, as well, it actually rivals running as an excellent workout. A 130-pound woman skating at a moderate speed burns nearly 11 calories per minute that’s 330 calories per half-hour.

There is always a large demand for private skate time from amateur roller and ice hockey teams, anywhere in the U.S. today. As well, for those who are looking to further advance their expertise in hockey, roller or figure skating, and those who have chosen to use the medium as part of their regular work-out routine, a modern, well-kept, and well-located facility is extremely attractive.

Some benefits of opening a skating center to the community include:

- *SOCIAL* benefits; Skating is an activity that provides excellent opportunities for people of all ages to meet and socialize. Your rink can be a popular and fun gathering place for single adults, parents, children and teenagers, to meet new friends and “hang out” with old ones. From parents gathering to watch their children play a junior league game of hockey, to

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teenagers and children enjoying a public session that features their favorite music, your rink programs will cater to anyone's tastes.

- *RECREATIONAL* benefits; Skating is an activity that offers a very wide range of recreational options and advantages. It is something that can be enjoyed by an individual, or a group, indoors or out, one-in-a-while or year-round. It is healthful, artistic, challenging, and entertaining, either for the avid professional, or the recreational skater.
- *SAFETY* benefits; Both skating and hockey are rated as two of the safest sports. This may be difficult to believe, however, because of the potential for hazard the equipment that is required for these sports is very durable and extremely protective, thus increasing awareness and safety. As well, a skating rink is typically a secured area where parents can feel at ease leaving their children unattended in, as opposed to other popular "hang outs" like shopping malls and amusement parks.
- *ECONOMICAL* benefits; During times of economic depression, the recreation and entertainment industries suffer very little, if at all. Many people will choose a fun day of skating at the local rink over spending more in an amusement park or meandering aimlessly in a mall or park.
- *EMPLOYMENT* opportunities; A family skating center will provide many local jobs for the people of the community. It is the perfect first job for a young adult who is just entering the work force. Management positions are an alternative for an older adult who may be tired of their previous job, or for those who had retired early. This is advantageous because with local residents working in your rink, their friends and relatives are more likely to choose to frequent your establishment at the chance of seeing their favorite rink employee. As well, they will have an inside to information on all upcoming rink events and programs.
- *COMMUNITY* benefits; A rink will draw people from many miles away, in nearby communities, as far away as 30 miles and even more if there is a special event. This makes city strangers, as well as the uneducated resident, aware of other services and sights your neighborhood has to offer, which in turn creates more business for the whole community.