PRESENTATION OF A CONCEPT
FOR A
DISNEY ENTERTAINMENT CENTER
ON
FEBRUARY 23rd, 1984

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FOR A

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HIGHLIGHTS OF BUSINESS & MARKET ANALYSIS - OCTOBER 1983

- DEMOGRAPHIC TRENDS
- MARKET OBJECTIVES
- AUDIENCE
- ATTENDANCE/CAPACITY ASSUMPTIONS (Other Board)
- PER CAPITA SPENDING
- GROSS OPERATING MARGINS
- ALLOWABLE INVESTMENTS TO ACHIEVE 14% ROI
- MARKET TRENDS

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- THEMATIC ORGANIZATION
- DISNEY SYNERGY POTENTIALS
- ADD-ON POTENTIALS
- AREA BY AREA DESCRIPTION
- AREA/ACTIVITY MATRIX

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- SQUARE FOOTAGE MIX
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- FURTHER DEFINITION OF OUR AUDIENCE
- SPECIFIC SITES
- PARTICIPATION/SPONSORSHIP
- OPERATING PHILOSOPHY
- GATE/NO GATE?

APPENDIX

- MARKET RESEARCH & ANALYSIS

HIGHLIGHTS OF BUSINESS ANALYSIS

October - 1983

DEMOGRAPHIC TRENDS

AGE

	% OF U.S. POPULATION*				
	1980		1988		
0 - 5	19.4 Mil.	9%	21.0 Mil	9%	→
6 - 24	74.5	33%	69.9	28%	↓
25 - 44	62.7	27%	76.0	31%	↑
45 - 64	44.6	20%	46.6	19%	↓
65+	25.3	11%	31.8	13%	↑

IMPACT OF BABY BOOM

- High spenders: command 1/3 of nation's discretionary income by 1990
- Appreciate quality and willing to pay for it
- Preference for white tablecloth dining
- Increase in nostalgia and romanticism
- New work ethic: promotion squeeze emphasizes fulfillment over wealth and position
- Wealth as a means of excitement and adventure and not necessarily a symbol of success
- Spending patterns: more food away from home; more alcohol; more clothing; more household furnishings; more recreational products
- Pepsi generation is aging: transforming from cola's to Perrier; from Levi's to Cacharel; to physical fitness, to well being, to physical enhancement

* Dun & Bradstreet

AGING OF THE POPULATION

- A middle-aged society
- Median age in 1971 was 27.9; median age today is 30

GROWING GREY MARKET

- Over 65 age group growing 2X faster than any other segment
- 1 in 9 over 65 today; 1 in 6 over 65 by year 2030
- Age in place
- More active; more mobile; healthier; better educated; more vocal
- Growth markets: travel, crafts, collectibles, personal care

GROWING SINGLES SEGMENT

- In 1955, 1 person in 10 was single
- In 1980, 1 person in 4 was single
- Propensity of this group to eat out

TRADITIONAL FAMILIES SHRINKING

- Working father, housewife mother = 14% of the U.S. population
- 7% with children
- By contrast, singles equalled 23% of the U.S. population by the late 1970's
- New focus on the home

SMALLER FAMILIES

- The baby boom is not replacing itself:

  1960 - 3.3 persons per family
  1980 - 2.75 persons per family
  1990 - 2.47 persons per family

GROWTH IN DUAL-INCOME FAMILIES

- 53% of all women are in the labor force; 66% of women with school-age children are in the labor force; 50% of women with pre-school children are in the labor force
- More disposible income
- More willing to spend on children

INCREASE IN FAMILY INCOME

- Real growth in income: 20% between 1980 and 1990 (1977 dollars adjusted)
- Smaller, later families
- Dual-income families
- Spending more, saving less: savings has dropped over the last 10 years from 8% to 5%

SPECIALTY CENTERS

- Increase in specialty centers and trend toward mixed-use projects as people come to malls not necessarily to buy but to achieve a sense of community, to be touched by other people

GOURMET BABIES

- Fast food fizzling as baby boomers improve quality of diet and older customers prefer sitting down and dining leisurely

MARKET OBJECTIVES

DISNEY'S CURRENT MARKET	DISNEY CENTERS TARGET MARKET
Largely Tourist	Largely Regional
Largely Family	Adults with emphasis on "Family"
Professional/Administrative/ Managerial	Same
Education beyond High School	Same

AUDIENCE

	DISNEY CENTERS	DISNEY-LAND	MAGIC KINGDOM	EPCOT CENTER	FANEUIL HALL	HARBOR-PLACE	SOUTH COAST PLAZA
Regional	70%	42%	29%	33%	51%	69%	78%
Visitor	30%	58%	71%	67%	49%	31%	22%
Average Age	35	27	27	34	37	40.5	36

ATTENDANCE/CAPACITY ASSUMPTIONS

Attendance Range

- 4 - 6 Million

Design Day

- 14,000 - 21,000

Average Length of Stay

- 3 - 4 Hours

FINANCIAL FEASIBILITY

PER CAPITA SPENDING

RANGE: $10.00 - $25.00

	DISNEY CENTERS	1983 DISNEY-LAND	1983 MAGIC KINGDOM	1983 EPCOT CENTER	1982 FANEUIL HALL **	1982 HARBOR-PLACE **
Entertainment	$ 6.00	$10.70	$12.00	$12.00		
Food	$ 5.69	$ 4.58	$ 4.59	$ 4.55	$ 3.00	$ 4.50
Merchandise	$ 5.00	$ 6.46	$ 6.77	$ 4.28	$ 2.00	$ 3.00
Participant Operator Location				$ 3.45 *		
TOTAL	$16.69	$21.74	$23.36	$24.28	$ 5.00	$ 7.50

* Food - $2.35; Merchandise $1.10

** Rouse Co. estimates

Of those who spend money, per caps =

	Faneuil Hall	Harborplace
Food	$11.07	$12.16
Merchandise	$ 7.38	$ 8.11
Total	$20.27	$18.45
Those who do not spend =	12.0%	10.5%

GROSS OPERATING PROFIT MARGIN*

	DISNEYLAND	MAGIC KINGDOM	INDUSTRY AVERAGE
Entertainment	43.3%	47.3%	N/A
Merchandise	20.4%	24.5%	18.9%
Food:			
Waitress	(28.9)	(12.88)	15.15
Buffet	7.7	10.30	12.3
Fast Food	19.4	25.19	21.2
AVERAGE	5.4%	18.9%	

*After operating and support expenses.

DISNEY CENTER

OPERATING & SUPPORT EXPENSE ASSUMPTIONS

LOW	- Disney operates everything
	- Margins are comparable to Disneyland except in waitress food where support expenses are slightly lower
MEDIUM	- Disney operates everything
	- Labor expenses are decreased across the board to the median between Disneyland and Industry labor rates
HIGH	- Disney operates everything
	- Utilizes current best margins
	- Waitress food is operated by participants for 12% of their gross

ALLOWABLE INVESTMENTS
TO ACHIEVE 14% ROI

ANNUAL ATTENDANCE	LOW MARGINS ALLOWABLE INVESTMENT	MEDIUM MARGINS ALLOWABLE INVESTMENT	HIGH MARGINS ALLOWABLE INVESTMENT
4 Million	$132 M	$143 M	$163 M
6 Million	$190 M	$215 M	$240 M

COMMERCIAL DEVELOPMENT TRENDS

Mixed-Use Projects

- Retail, dining, offices, hotel rooms, entertainment, and museums
  - Harborplace
  - Yerba Buena Gardens
  - Horton Plaza
  - South Coast Plaza

Increasing food service capacity to increase length of stay

- Rouse projects are 50% food, 50% retail

In general, all are trying to <u>add</u> entertainment

- "Festive Shopping"
  - Faniel Hall
  - Harborplace
  - South Street Seaport
  - Grand Avenue
- Entertainment/Shopping Center
  - West Edmonton Mall

CONCEPT REVIEW

DISNEY ENTERTAINMENT CENTER

A BEGINNING DEFINITION

IT IS: A brand new kind of Theme Entertainment Experience.

IT CREATES: A new trend by bringing the Disney reputation for unique entertainment to mixed-use shopping/dining/entertainment projects.

IT CREATES: New markets for Disney in regional locations in the U.S.A. and internationally.

IT WILL: Complement - not compete - with Disneyland and Walt Disney World.

IT WILL BE: Flexible for ease of change within each center... modular for ease of change from center to center.

AND IT WILL BE: A changing "community center" of fun, learning and knowledge.

WHAT SETS IT APART IS THE *COMBINATION* OF THESE THREE WORDS...

DISNEY ENTERTAINMENT CENTER

DISNEY ENTERTAINMENT CENTER

CONCEPT DIRECTIVES

OUR GOAL ... To create a new dimension in Disney Entertainment for a regional market

OUR OBJECTIVE ... To provide a variety of Entertainment Experiences "under one roof." including:

Disney Entertainment

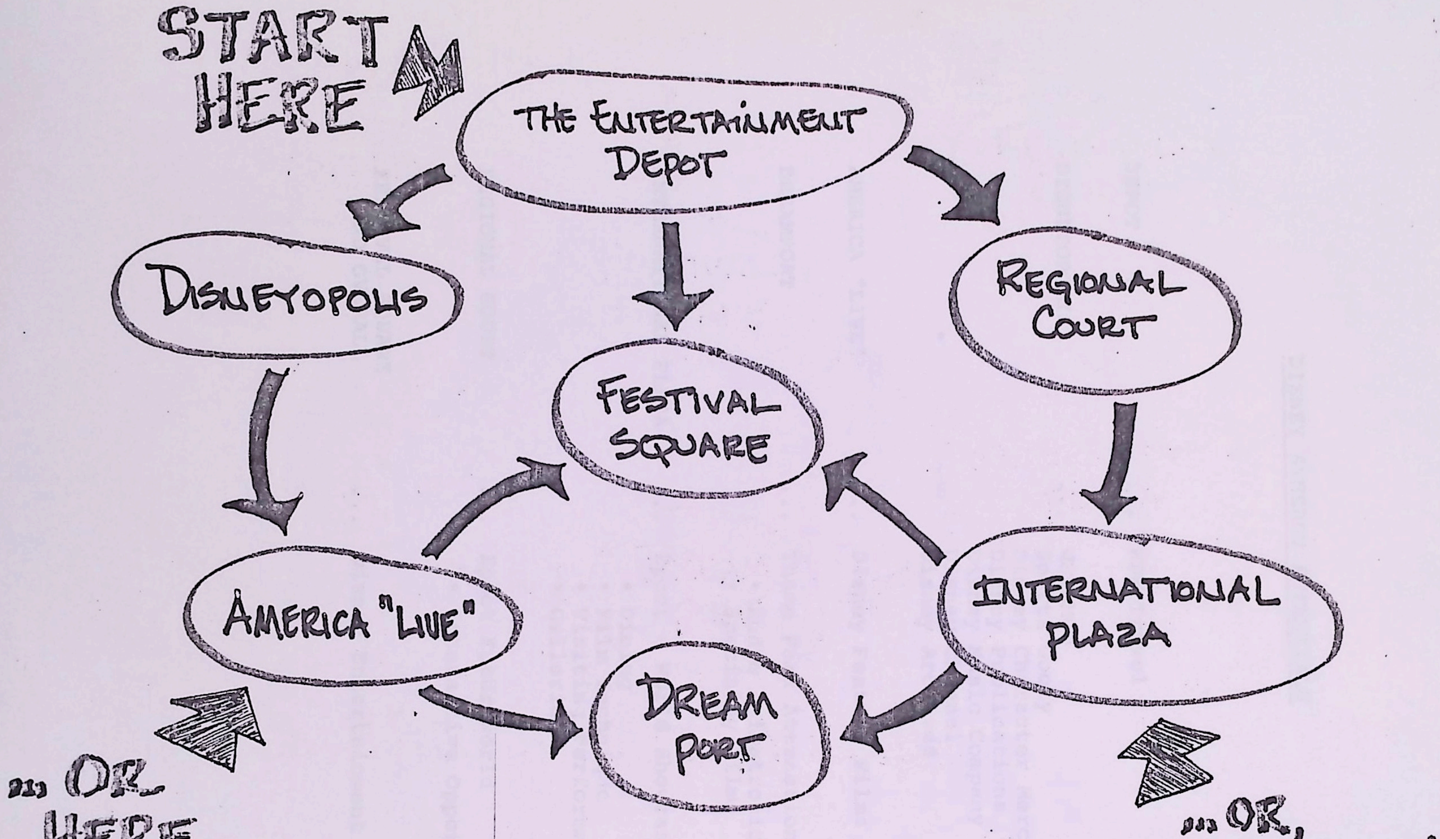
- Live Performance
- Specialty Film

Themed Dining

Festive Shopping

OUR AUDIENCE ... Primarily adult, but the Center will have strong appeal to a broad selected market with an average stay of 3 - 4 hours.

OUR STRATEGY ... The facility and entertainment design will provide flexibility and be adaptive to change, encouraging a returning audience.



THEMATIC ORGANIZATION FOR A DISNEY ENTERTAINMENT CENTER

RR '84

DISNEY SYNERGY POTENTIALS

DEPOT	...	WDW Travel
DISNEYOPOLIS	...	WEDEMCO Sports Goofy Disney Character Merchandise Disney Publications Disney Music Company Disney Channel Disney Archives
AMERICA "LIVE"	...	Disney Feature Films
DREAMPORT	...	Theme Park Attractions • Audio Animatronic Figures • Specialty Films
INTERNATIONAL PLAZA	...	Epcot - World Showcase • Dining • Film Technique • Visiting Performers • Galleries
REGIONAL COURT	...	Epcot Futureworld • Interactive Opportunities
FESTIVAL SQUARE AND OVERALL	...	Disney Entertainment

DISNEY ENTERTAINMENT CENTER

ADD-ON POTENTIALS

LODGING

OFFICE COMPLEX

SHOPPING MALL

RECREATIONAL ACTIVITIES

CONVENTION CENTER

CONFERENCE FACILITY

DEPOT

RESTAURANT

THE OBSERVATION DECK

DISNEYOPOLIS

ENTERTAINMENT

THE PICTURE SHOW ... *A Dining Experience*

TOWN HALL ... *A Preview Theatre*

THE SCHOOL HOUSE ... *An Interactive WEDEMCO Area*

GOOF'S GYM ... *A Home for Sports Goofy*

DISNEY ON DISPLAY ... *A Gallery*

TOWN SQUARE

RESTAURANT

DAISY'S DINER

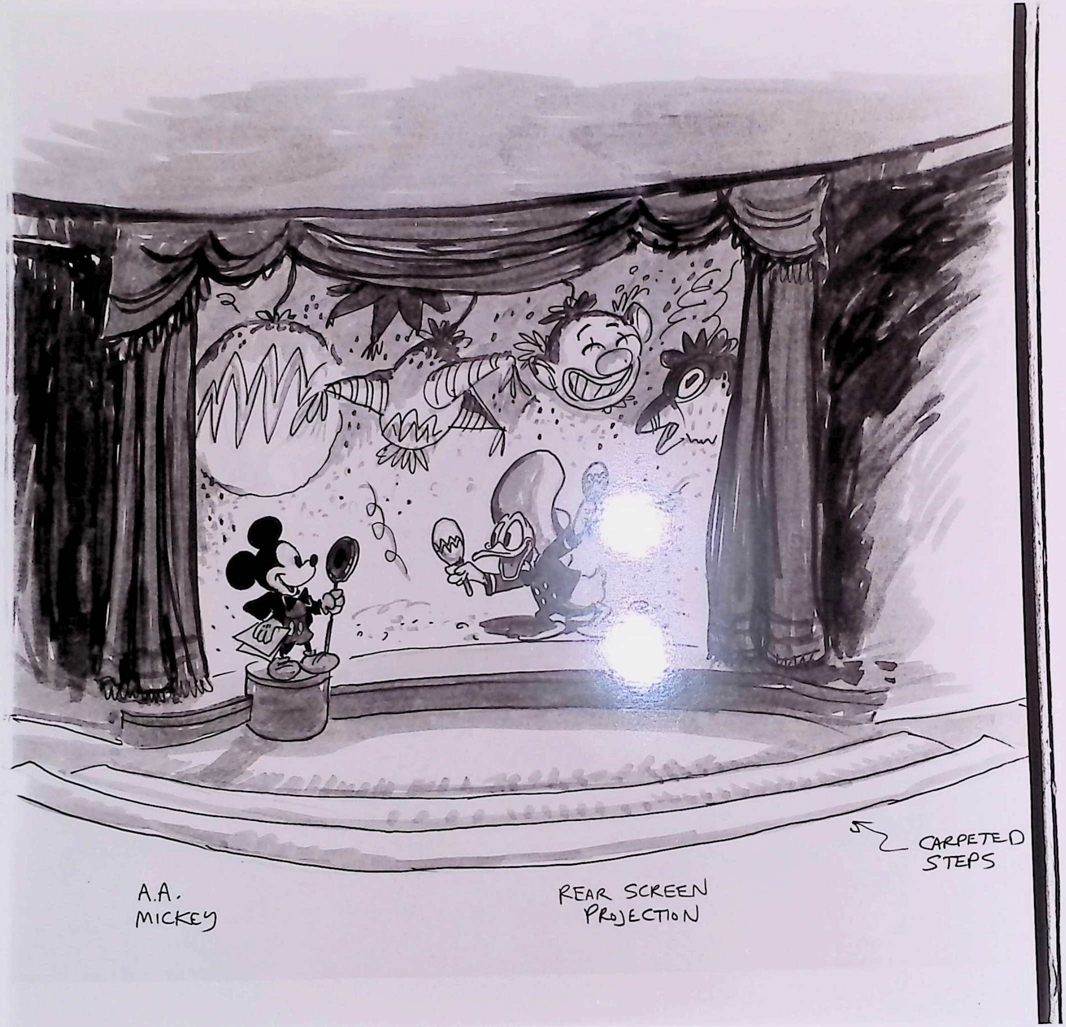
MERCHANDISE

THE EMPORIUM

THE LIBRARY

GYRO'S GADGETS

DONALD'S DISCO


CARPETED STEPS
A.A. MICKEY
REAR SCREEN PROJECTION

AMERICA "LIVE"

ENTERTAINMENT

THE BLOCK PARTY	...	*A Dining Experience*
THE AMERICAN MUSICAL	...	*A Dinner Theatre*
THE BIJOU	...	*A Motion Picture Plex*
WHIFFENPOOF'S	...	*A Bar and Grill Lounge*
THE COTTON CLUB	...	*A Jazz Lounge*
THE STORK CLUB	...	*A Dance Palace*
THE BOARDWALK	...	*A Game Arcade*

RESTAURANT

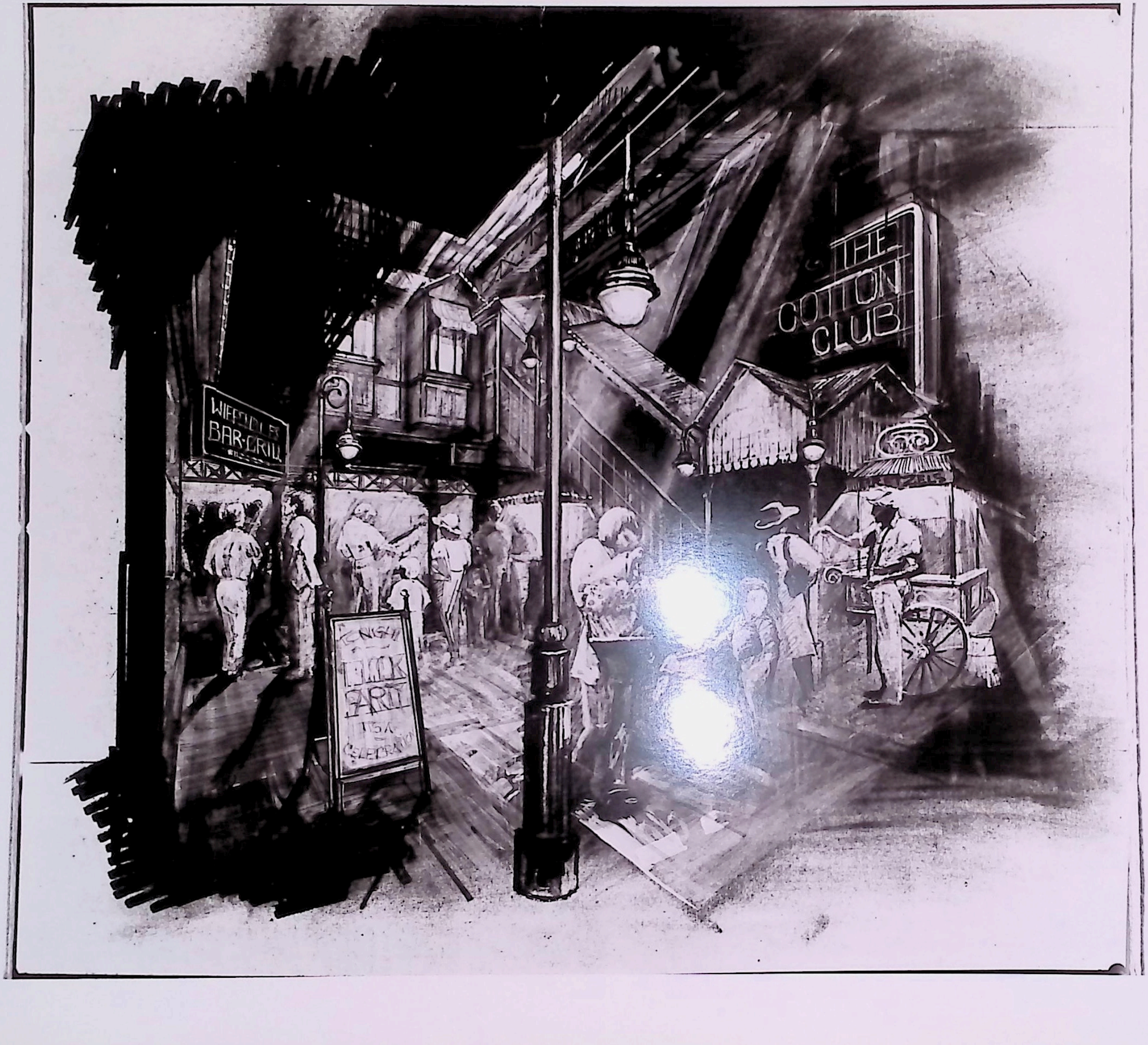
DINNER AT TIFFANY'S

THE CORNER

MERCHANDISE

ENTERTAINMENT ALLEY

THE UPTOWN


THE COTTON CLUB
BAR-GRILL
ITS A CELEBRATION


SCRIM & OR SCENIC PROJECTION ON BACK CYC DUSK OR SUNSET
CENTRAL "STAGING AREA FOR "GROUP FINALES" &/OR "DANCING"
OVERHEAD DIES INTO "GRID" OF FIREESCAPES & CATWALKS
CAFE
THEATRICAL BUILDING FACADES PAINTED SCRIM ON FRAMES BACKLIT-
PASTICCERIA
SOME BUILDINGS HAVE PROJ. SCREENS (R.P.) FOR SPECIAL "DISNEY" SONGS
WURSTHAUS
WAITERS, WAITRESSES SING BACK-UP CHORALES FOR SOLOS ON STAGE WHILE SERVING
ELEVATED AREAS FOR GUESTS & PERFORMANCE


dance and sing
to her guests
"The Block Party"

DREAMPORT

ENTERTAINMENT

THE TIME MACHINE ... *A Dining Experience*

THE HEAD TRIP ... *An Audio-Animatronic Theatre*

DISNEYVISION ... *A Fantasy Film Theatre*

AQUACULTURE CLUB ... *An Illusionary Lounge*

THE FANTASY CANTINA ... *A Dance Hall*

THE FANTASY WAREHOUSE ... *An Exhibit Hall*

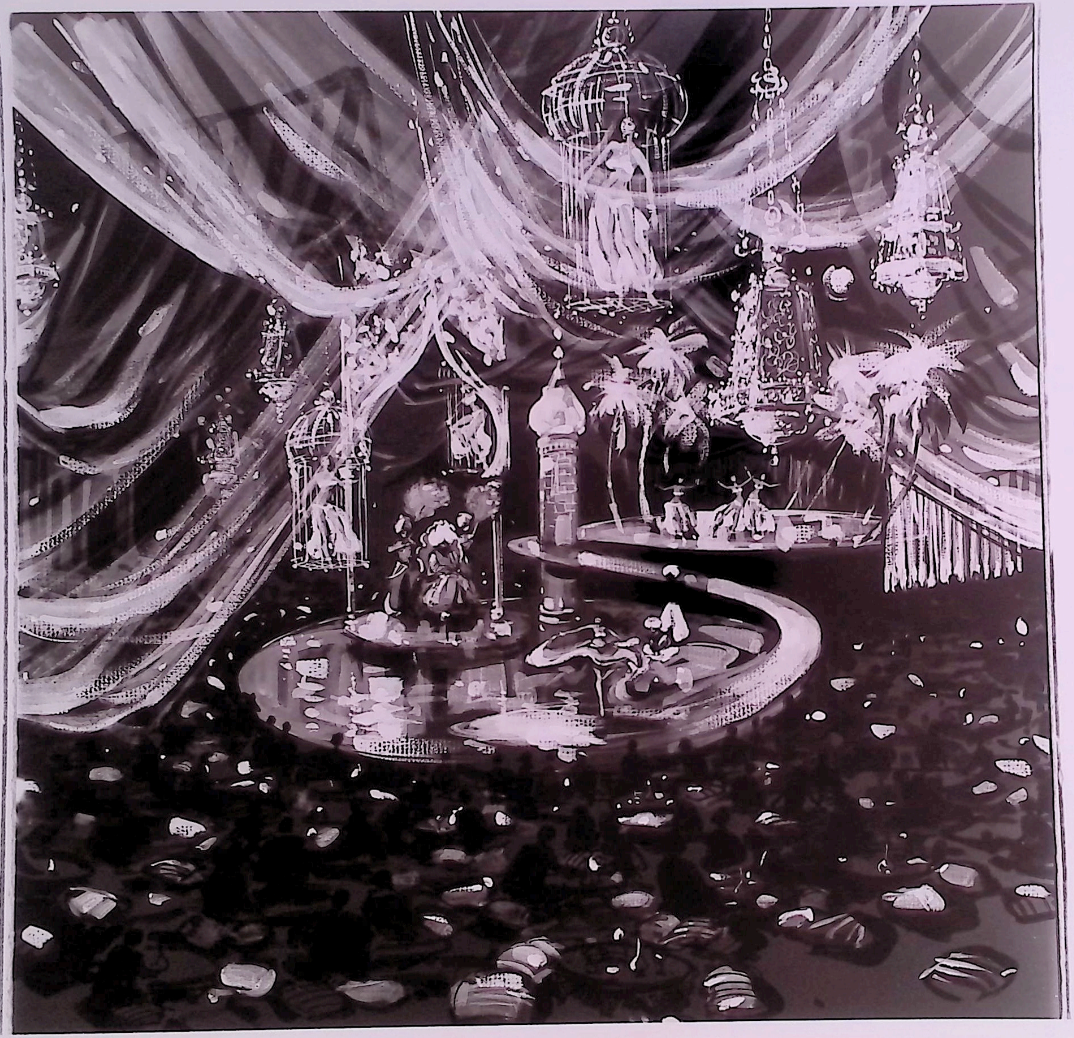
THE RIDE THRU ... *A Gallery*

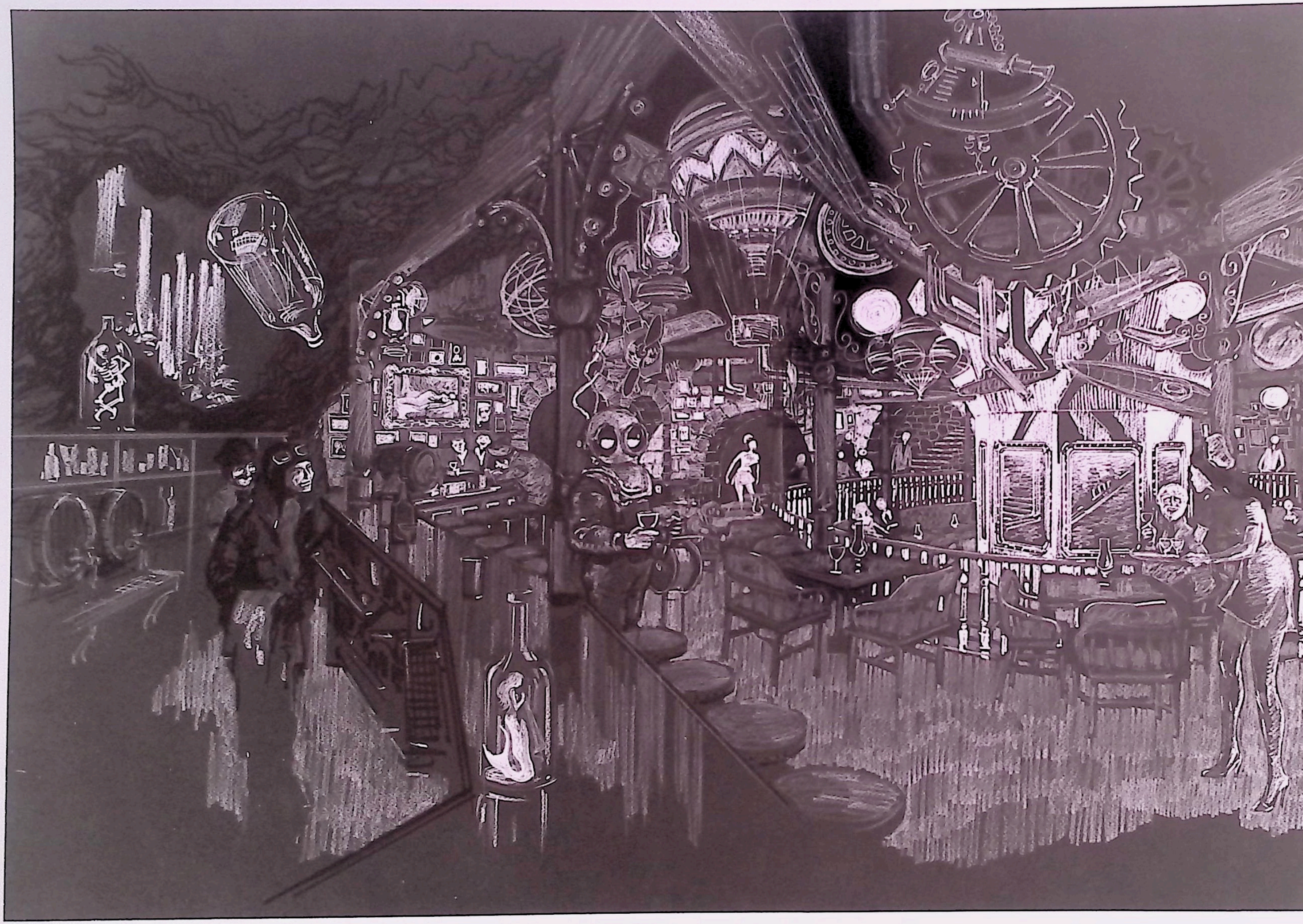
RESTAURANT

PRINCESS LILY'S

MERCHANDISE

THE TOYWORKS





INTERNATIONAL PLAZA

ENTERTAINMENT

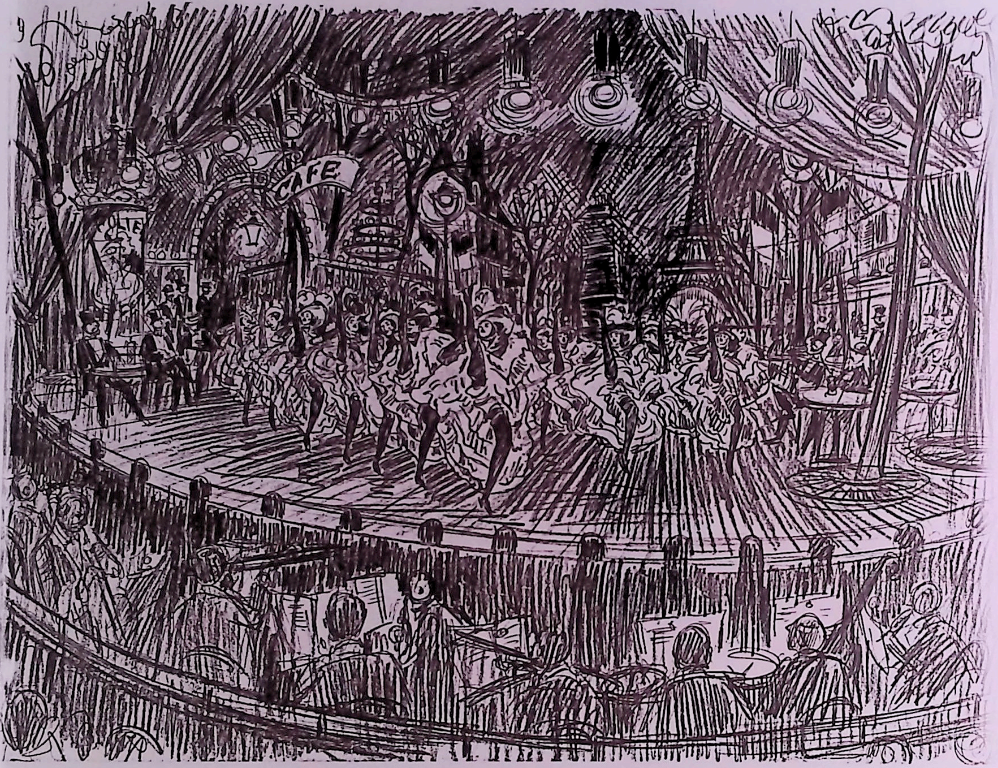
- THE FOLLIES ... *A Performance Theatre Spectacular*
- CINEMA INTERNATIONALE ... *A Five Screen Film Theatre*
- CATCH A RISING STAR ... *A Cabaret Lounge*
- THE BEER GARDEN ... *A Performance Arena*
- INTERNATIONAL GALLERY

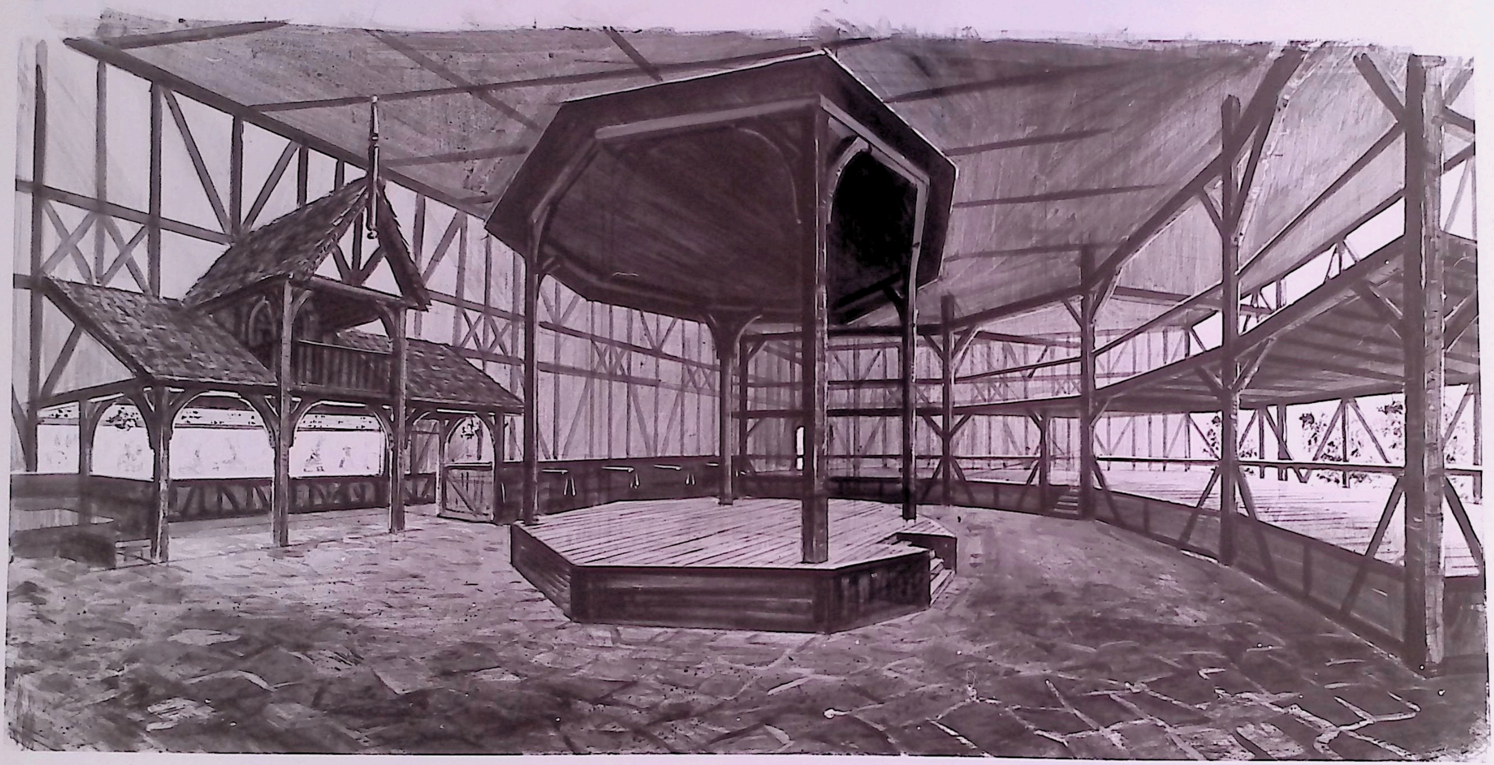
RESTAURANTS

- THE BISTRO
- FESTIVAL TERRACE
- PALACE DES CHEFS
- THE DELI

MERCHANDISE

- TOYS INTERNATIONAL
- GIFTS OF THE WORLD


CAFE



REGIONAL COURT

ENTERTAINMENT

THE REGIONAL THEATRE

THE EPCOT POLL

THE CREATIVE CENTER

EPCOT OUTREACH

THE CONTEMPORARY GALLERY

RESTAURANT

THE EGG AND EYE

	DINING EXPERIENCES	PERFORMANCE THEATRES	FILM THEATRES	PERFORMANCE LOUNGES	DANCE HALLS	INTERACTIVE AREAS	EXHIBIT SPACES	RESTAURANTS	MERCHANDISE
DEPOT								"THE OBSERVATION DECK" RESTAURANT	
DISNEYOPOLIS	"THE PICTURE SHOW" DINING EXPERIENCE		"THE TOWN HALL" PREVIEW THEATRE			"THE SCHOOLHOUSE" WEDEMCO AREA "GOOF'S GYM" SPORTS CONNECTION	"DISNEY ON DISPLAY" GALLERY "TOWN SQUARE" CENTRAL FLEXIBLE SPACE	"DAISEY'S DINER" FAST·FOOD	"THE DISNEY CONNECTION"
AMERICA "LIVE"	"THE BLOCK PARTY" THE AMERICAN MUSICAL DINNER THEATRE		"THE BIJOU" MOTION PICTURE PLEX	"WIFFENPOOFS" BAR & GRILL "THE COTTON CLUB" JAZZ LOUNGE	"THE STORK CLUB" DANCE PALACE	"THE BOARDWALK" GAME ARCADE		"DINNER @ TIFFANY'S" RESTAURANT "THE CORNER" FAST·FOOD	"ENTERTAINMENT ALLEY" "THE UPTOWN"
DREAMPORT	"THE TIME MACHINE" RESTAURANT EXPERIENCE	"THE HEAD TRIP" AUDIO-ANIMATRONIC THEATRE	DISNEYVISION FANTASY FILM THEATRE	"THE AQUACULTURE-CLUB" ILLUSIONARY LOUNGE	"THE FANTASY CANTINA"		THE FANTASY WAREHOUSE THE RIDE-THRU GALLERY	"PRINCESS LILY'S" RESTAURANT	"THE TOY WORKS"
INTERNATIONAL PLAZA		"THE FOLLIES" THEATRE	"CINEMA INTERNATIONALE" FIVE-SCREEN FILM THEATRE	"CATCH A RISING STAR" CABARET LOUNGE	"THE BIER GARTEN" FESTIVAL THEATRE		THE INTERNATIONAL GALLERY	"THE BISTRO "FESTIVAL TERRACE" "PALACE DES CHEFS" "THE DELI"	"TOYS INTERNATIONALE" "GIFTS OF THE WORLD"
REGIONAL COURT		THE REGIONAL THEATRE	"THE EPCOT POLL" THEATRE			"THE CREATIVE CENTER" "THE EPCOT OUTREACH"	THE CONTEMPORARY GALLERY	"THE EGG & EYE" RESTAURANT	
FESTIVAL SQUARE						ICE SKATING PATH	FESTIVAL SQUARE		

FEBRUARY, 1984

AREA/ACTIVITY MATRIX

DISNEY
ENTERTAINMENT
CENTERS

LIVE ENTERTAINMENT OPERATING SCENARIO

Formal Entertainment Experiences

Disneyopolis

The Picture Show

America "Live"

The Block Party

Whiffenpoof's Bar and Grill

The Cotton Club

The Stork Club

The American Musical Dinner Theatre

Dreamport

The Time Machine Restaurant

The Aquaculture Club

The Fantasy Cantina

The Fantasy Warehouse

International Plaza

The Follies Theatre

Catch A Rising Star Cabaret

The Bier Garten Festival Theatre

Regional Court

The Regional Theatre

Festival Square

Festival Square

"Broadstroke" Entertainment Schedule

Changing weekly:

- Whiffenpoof's
- The Cotton Club
- The Stork Club
- Catch A Rising Star Cabaret
- The Aquaculture Club

Changing monthly:

- Fantasy Warehouse
- The Bier Garten Festival Theatre
- The Picture Show

Changing bimonthly:

- The American Musical Dinner Theatre
- Regional Theatre
- Festival Square

Changing semi-annually:

- Block Party
- The Fantasy Cantina

Changing annually:

- The Follies Theatre
- The Time Machine Restaurant

Percentages of Changeover

Interval from First Visit	Percentage of Change
3 months	67%
6 months	87%
9 months	87%
12 months	100%

Festival Square Schedule

1. Floral Environment- four months
   a. Spring Fling Festival-- January, February
   b. Carnival Festival-- March, April

2. Summer Environment- four months
   a. Americana Celebration-- May, June, July, August

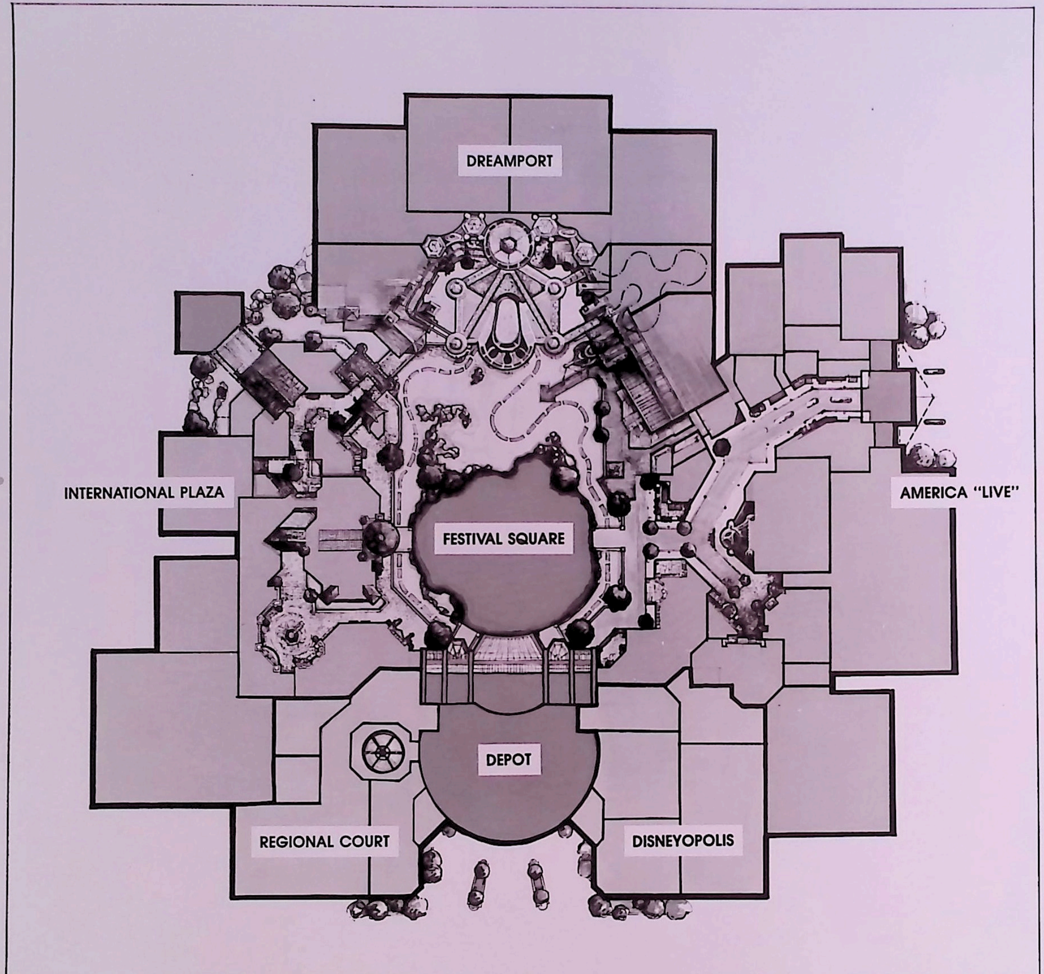
3. Autumn Environment- two months
   a. Craft Fairs-- September, October

4. Winter Environment- two months
   a. A Disney Christmas -- November, December

Each Festival theme contains:

musical groups
Craftsmen
interactive experiences
pagaentry and parades
themed food experiences
exhibit areas
merchandise sales
specifically themed decor

PROJECT SIZING


DREAMPORT
INTERNATIONAL PLAZA
FESTIVAL SQUARE
AMERICA "LIVE"
DEPOT
REGIONAL COURT
DISNEYOPOLIS

DISNEY ENTERTAINMENT CENTER

SQUARE FOOTAGE MIX

ENTERTAINMENT	290,000	(57%)
FOOD	60,000	(12%)
RETAIL	50,000	(10%)
CIRCULATION	111,000	(21%)
	511,000 SQ. FT.	

N.B. Total square footage is approximately 12 acres. This acreage does not include support facilities and parking.

DISNEY ENTERTAINMENT CENTER

SQUARE FOOTAGE RATIOS

	ENTERTAINMENT	FOOD	RETAIL	CIRCULATION
Depot	0%	21%	9%	18%
Disneyopolis	8%	4%	22%	3%
America "Live"	30%	20%	16%	9%
Dreamport	25%	12%	4%	4%
International Plaza	22%	34%	20%	15%
Regional Court	9%	9%	7%	3%
Festival Square	6%	0%	31%	0%
Water/Landscaping	0%	0%	0%	48%
	100%	100%	100%	100%

REMAINING ISSUES

DISNEY ENTERTAINMENT CENTER

REMAINING ISSUES

- FURTHER DEFINITION OF OUR AUDIENCE
- SPECIFIC SITES
- PARTICIPATION/SPONSORSHIP
- OPERATING PHILOSOPHY
- GATE/NO GATE?

APPENDIX

DISNEY ENTERTAINMENT CENTERS
MARKET RESEARCH AND ANALYSIS

TABLE OF CONTENTS

MARKET RESEARCH AND ANALYSIS

I. Introduction

A. Target Market

The target market for a Disney Entertainment Center was established in an earlier presentation entitled Disney Centers Marketing and Business Strategy, on the basis of national demographics, leisure and lifestyle trends:

1. Local, Regional Audience
2. Family with Emphasis on Adults, Singles and Grey Market
3. Professional/Administrative/Managerial
4. 4. Education Beyond High School

B. The purpose of a Disney Entertainment Center is to serve target market needs through a variety of entertainment experiences.

II. Why this concept: Why these basic elements; why this configuration

A. Trends in Commercial Recreation

B. Trends in Shopping Center Industry

C. Trends in Restaurant Industry

D. Trends in Consumer Preferences

E. Trends in Lodging Industry

F. Trends in Meetings Industry

III. How to Make it Work

A. Appropriate Fit

1. Each Center must be <u>tailored</u> to a specific site with emphasis on consumer needs not already being met in the primary market area (15 minutes for Commercial Recreation & Retail; 60 minutes or 50 miles for Theme Parks).

2. The right configuration of entertainment, dining and specialty retail, as well as add-on potentials (convention space, office space, lodging, recreation, etc.), will be based on market demand factors and analysis.

B. Special Marketing Opportunities

1. <u>Catering to Specialized Segments</u> - see Section IV

   a. Grey Market

   b. Children

   c. Singles/Adults

   d. Etc.

2. Group Sales - see Section V

3. Bus Tours "

4. Conventions "

5. Special Events "

   a. Festivals

   b. Holiday Events

5. Special Promotions "

C. What sets out product out against others like it:

1. Emphasis on <u>entertainment</u> aspect

2. Emphasis on <u>quality of service to our guests</u>

WED ENTERPRISES

INTER-OFFICE COMMUNICATION

P-1328 R-2

TO THOSE CONCERNED DATE FEBRUARY 21, 1984

FROM LYNNE MACER EXT: 7687 SUBJECT DISNEY ENTERTAINMENT CENTER BACKGROUND MATERIAL

This packages contains two supporting attachments as background to our overall intelligence for Disney Entertainment Centers planning.

1. Mixed-use Projects: profiles of four projects either existing or planned: West Edmonton Mall; Horton Plaza; Yerba Buena Gardens; and South Street Seaport Marketplace. Each profile includes description, elements, location, developer, architect, opening date, size, cost, etc.

2. Specialty Centers: attendance profiles of selected entertainment, shopping and specialty center attractions. The first profile includes reason for and time of visitation at Del Amo Shopping Center, South Coast Plaza, Old Towne Mall, Farmers' Market, Mystic Seaport, Ghiradelli Square, Grand Avenue, Harborplace, Faneuil Hall, and South Street Seaport. The second profile includes demographic characteristics of visitors at South Coast Plaza, Beverly Center, Faneuil Hall, Harborplace, Disneyland, Magic Kingdom, and EPCOT Center.

For your information.

LM:plb
Attachments
cc: Randy Bright
John Hench
Rick Rothschild
Pat Scanlon
Frank Stanek
Marty Sklar

MIXED-USE PROJECTS

WEST EDMONTON MALL
Edmonton, Alberta, Canada

"THE WORLD'S LARGEST FASHION FUN CENTER
WHERE FANTASIES COME TRUE"

Description: A covered city with shopping and entertainment

Phase 1 & 2
Elements:

- Fantasyland Park: An indoor amusement park; facades are 1898 Tivoli and the theme is transportation

  Carousel
  Rides (bumper cars, planes, helicopters, suspended hot air balloons)
  Cobblestone pathways
  Interactive, hands-on play areas

- Petting Zoo
- Killer whale tanks
- 2 art galleries and $25 million in artwork and sculptures scattered throughout the mall/park
- NHL-sized ice skating rink used by the Edmonton Oilers twice a month for practice (once a year the Oilers sign autographs for fans in a special promotional event. Last year 150,000 people attended in a 6 hour period)
- Roller-rink, bowling alley and miniature golf course
- Aviaries stocked with 3000 exotic birds
- Retail/restaurant spaces with chandelier, marble floors and brass finishes. Great attention is paid to details.

Phase 3
Elements:

- Water Wonderland Waterpark (18 acres)
  - Man made indoor lake with beach front and artificial lighting for sun-tanning
  - Wave making for surfing and water skiing
  - 2 water slides
  - Swimming
- Aquarium Park
  - Rafting ride
  - Animal shows, performing seals, walruses
  - 2000 seat amphitheater
  - Tanks stocked with aquatic life

- Submarine transportations through canals from the Water Wonderland lake to Aquarium Park
- Monorail transportation from parking lot to mall destinations may be a part of the concept
- Rollercoaster in production in Europe
- Retail/restaurant expansion

Location:	West end of city (city population 700,000)
Market Size:	2 million residents within 100 miles
Audience Origins:	2 of 5 guests are tourists (greater than 100 miles) 15-20% of tourists are from the U.S.
Sales:	$133 million in 1982-83; $500/square foot average
Attendance:	Typical Saturday: 175,000 18 million in 1983-84
Developer/ Owner	Triple 5 Corporation Wholly owned family corporation (Ghermezian Family)
Architect:	Abugov and Sunderland Edmonton, Alberta, Canada
Park Theming/ Design:	Moorehead, Fleming and Coban Associates (Canada's Wonderland) Toronto, Canada
Construction:	PCL - Edmonton, Alberta, Canada
Opening:	Phase 1 - 1982; Phase 2 - 1983; Phase 3 - Fall 1985
Size:	Phase 1 & 2 - 2.2 million sq. ft.; 1.6 million GLA* Phase 3 - 3.95 million sq. ft.; 2.2 million GLA*
Cost:	Phase 1 & 2 - $195 million Phase 3 - $195 million Total Phase 1 through 3 - $390 million

* Gross Leasable Area

HORTON PLAZA
San Diego, California

Description: "...a true urban core environment that provides retail, business and personal services plus a variety of recreation, dining and entertainment opportunities"

"...new places where people can live, work, shop, dine and play. San Diegans are creating a quality of life unique among the major cities of America"

Elements:

- 3-level festival shopping pavilion containing 320,000 square feet of retail and restaurant use, historic facades and 460,000 square feet of department store use; merchandise will serve as the anchor
- 4 anchors: Robinson's, The Broadway, Mervyn's and Nordstrom. Other retail opportunities: green grocers, bookshops, high fashion
- Entertainment: Street performers, movie houses and legitimate theater to draw people back to the central city; shells for two live performing arts theaters
- Cuisine, from sidewalk vendors to elegant gourmet restaurants; food from around the world will be featured
- 450-room Amfac Hotel
- Day care center
- Athletic Club
- 300,000 square feet of low-rise office space (Phase II)
- Parking for 2,400 vehicles

Location: San Diego's central city; one part of four designated redevelopment areas approved to bring the various components of downtown revitalization to life.

Developer: Ernest W. Hahn, Inc.
Rancho Sante Fe, CA

Architect: Jon Jerde Partnership, Inc.

Opening: 1985

Cost: Phase I and II of the Horton Plaza Project estimated at $140 million

YERBA BUENA GARDENS
San Francisco, California

"A SPECIAL URBAN GARDEN ATMOSPHERE -- UNIQUE IN AMERICA"

Description: Fashioned after Copenhagen's Tivoli Gardens, the Yerba Buena Gardens project is an urban garden that could include fairs, children's theaters, markets, shops and a variety of other activities. The project design goal is to create places for people to relax, dine and enjoy the City in a casual, garden atmosphere.

Elements: (tentative)

- Hotel	800-1,500 rooms
- Retail & Entertainment (cabarets, clubs, shops)	200,000 sq. ft. minimum
- Amusement (game pavilion, ice rink)	120,000-150,000 sq. ft.
- Office Space	0-500,000 sq. ft.
- Residential	Permitted
- Cultural	50,000 sq. ft.
- Open Space	435,000 sq. ft.

Location: Downtown San Francisco: frontage on Market Street and direct access to the George R. Moscone Convention Center; 5-15 minutes walking distance from the City's major shopping districts.

Developer: Joint venture of Olympia and York, Equities Corporation and the Marriott Corporation. The Rouse Company has responsibility for development of the retail portion

Architect: (Planning stage) Zeidler Roberts Partnership Architects, Inc. Toronto, Canada

Opening: Approximately 1988 for Phase 1
Schedule, elements, responsibilities and players will be negotiated and finalized in the next several months
Plans and publicity releases ready approximately in April 1984

Size: 3 parcels of land, 21.4 acres

Cost: Estimated $1 billion for the total project

THE SOUTH STREET SEAPORT MARKETPLACE
New York, New York

"NEW YORK'S NEWEST PLACE TO BE"

Description: "Renovation of New York's original seaport, including restoration of historic buildings, a new Fulton Market, shops, restaurants, cafes ...A Living Museum"

Elements:

- 40 retail stores in 2 blocks of restored, historic buildings
- The Fulton Market, a 3-level, full block of markets: fish, cheese, coffee, bakery, vegetables, etc.,; 22 separate food stalls representing cuisines of the world; tables for eating and people-watching; cafes and restaurants
- Pier 17, the Phase 2 development, will house another 120 shops, restaurants and cafes; the design will emulate old Victorian entertainment piers
- South Street Seaport is a museum without walls. The structures and walkways and piers in the area comprise the physical part of the "museum." Special walking tours, lectures, educational programs and demonstrations are services the museum provides.

  Pier 16 is part of the walking tour of the district. It includes 6 moored ships from different eras.

  The Seaport Galley presents special photo essays and historical exhibits of the seaport area throughout the past several hundred years.

  There are daily demonstrations and classes of 19th century letterpress printing offered on the Browne and Company stationery tour.

  The Museum Tour, a 50-minute guided tour of the district, is offered to the public, daily from 12:00-4:00, school tours and special group arrangements can be made between 10:00 to 4:00 daily.

  The South Street Venture is a multi-media film presentation of the city and seaport's history; produced by Trans-Lux.

Bus Tours visit the museum district, its historical treasures, shops, markets and restaurants daily. Groups on bus tours include:

- Senior citizens
- Students, school groups
- Women's clubs
- Boy/Girl Scouts
- Travel industry
- Art and culture groups

Special educational programs are presented by the Education Department of the South Street Museum:

- "From Walkline to Roofline" - a program describing the various architectural styles and changes that occurred in the district through the ages

- "Discovery of New York Harbor" - a children's program that charts the evolution of the harbor to its present status as a major contributor to the city

- "Christmas Ghost Tour" - a walking tour of the district with several costumed "ghost" characters from the past appearing along the route to talk about the seaport during his/her era

- The special tours and changing exhibits draw people to explore the district and to shop, eat and have fun during weekends and slow periods of the week.

- The myriad of dining, market and drinking opportunities draw the office crowd into the district during lunch and after work for "happy hour" and dinner.

Location: Downtown New York City, just south of the Brooklyn Bridge and a few blocks from Wall Street

Developer: The Rouse Company
Columbia, Maryland Information: (212) 669-9400

Opening: July 1983; second phase opens Spring 1985

Size: 250,000 square feet (Phase 1 and 2)

Cost: $351 million (Phase 1 and 2)

SPECIALTY CENTER
ATTENDANCE PROFILES

SPECIALTY CENTERS - ATTENDANCE PROFILE

	ANNUAL ATTENDANCE	DAY OF WEEK	TIME OF DAY	REASONS FOR VISITING	SOURCE
DEL AMO SHOPPING CENTER Torrance, CA 1981	16 Million Estimate	Weekdays 42.2% Weekends 32.9% Unknown 24.9% (Telephone Survey)	9:00-11:30 39.7% shopping 11:00- 1:30 12.0% shopping 1:31- 4:31 22.5% shopping 4:31- 6:30 7.9% shopping 6:30- On 7.1% shopping (Telephone Survey)	Shopping #1	Kehr Market Research Market Study and Telephone Interview
SOUTH COAST PLAZA Costa Mesa, CA	13 Million Estimate	Saturday #1 busiest Friday #2 busiest Sunday #3 busiest Tuesday #1 slowest	10:00-12:00 24.6% shopping 12:00- 2:00 46.4% shop/eat 2:00- 5:00 31.3% shopping 5:00- On 13.1% Unknown 1.2%	Sightseeing/browsing 22.6% Eating/drinking 19.6% Shopping 89.7% Exhibit/event/ entertainment 7.4% Other 8.9%	South Coast Plaza Market Study and Telephone Interview
OLD TOWN PLACE Torrance, CA 1981	No Information Available	Saturday #1 busiest Sunday #2 busiest Tuesday #3 busiest Monday #1 slowest	6:00- 8:00 #1 weekday peak for browsing before movies	Sightseeing/browsing 6.7% Shopping 43.2% Exhibit/events/ entertainment 23.8% Other 3.5%	Kehr Market Research Market Study and In-person Merchant Interviews and Telephone Interviews
FARMERS' MARKET Los Angeles, CA 1983	6 Million Estimate	Saturday #1 busiest Friday #2 busiest Sunday slowest	9:00-11:00 #3 shopping 11:00- 2:00 #1 eat/shop 2:00- 5:00 #2 shopping	Sightseeing #1	Telephone Interview with Mr. Hilty, Exec. VP, A.F. Gilmore Co. (owner/operator)
MYSTIC SEAPORT Mystic, CT 1983	No Information Available	Friday, Saturday, Sunday } 50-60%	11:00- 2:00 40% of arrivals	Sightseeing #1 Shopping #2	Telephone Interview with Publicity Department
GHIRADELLI SQUARE San Francisco, CA 1983	No Information Available	Saturday #1 shopping Sunday #2 sightseeing Monday & Friday #3 Tues. & Wednesday-slowest Thursday - improves	12:30- 2:30 lunch, shopping 3:00- 5:00 shopping 5:00- 6:00 dead, no action 7:00- 9:00 dinner	70% of all guests are tourists Summer (tourists) Sightseeing #1 Food #2 Winter (residents) Food #1	Telephone Interview with Marketing Director
GRAND AVENUE Milwaukee, WI 1983	7.8 Million/year	Weekdays 66.7% Weekends 33.3%	No Information Available	Shopping #1 Evening restaurant traffic #2	Telephone Interview
HARBORPLACE Baltimore, MD 1982	16 Million Estimate	Monday 4.4% Tuesday 6.8% Wednesday 13.6% Thursday 15.3% Friday 13.8% Saturday 23.7% Sunday 11.9% Don't Know 10.5% (day of last visit to HP)	10:00-12:00 12.3% shopping 12:00- 2:00 28.0% eat/shop 2:00- 4:00 16.9% shopping 4:00- 6:00 12.8% shop/drink 6:00- 8:00 16.1% drink/eat 8:00-10:00 10.6% 10:00- On 3.3%	Sightseeing/browsing 48.5% Eating/drinking 33.6% Shopping 13.5% Other 4.4%	Rouse Co. Market Study
FANEUIL HALL Boston, MA	Information Requested from Rubin Roca, VP, Marketing, Rouse Co.; Awaiting Response				
SOUTH STREET SEAPORT New York, NY					

PROFILE OF SELECTED ENTERTAINMENT AND SHOPPING ATTRACTIONS

	DISNEYLAND 1/ MAGIC KINGDOM CLUB	MAGIC KINGDOM 3/	EPCOT CENTER 3/	SOUTH COAST PLAZA 6/	BEVERLY CENTER 8/	FANEUIL HALL 9/	HARBORPLACE 11/
ATTENDANCE	9.98 million	11.438 million	11.274 million	13 million (est.)	2.6 million	12 million	16.1 million
ORIGINS	Tourist 56.3% O.C. Resident 8.3% So. Calif. 33.4%	Florida 22.0% Other 78.0%	Florida 22.0% Other 78.0%	Traveled 0-10 miles from home or work 78.9%	1. Local 2. Tourist 3. Local/Business 4. Other	Local 26.5% Business 15.2 Tourist 49.0 Shopping 2.5	Resident 69.0% Other 31.0
AGE	Average Age: 26.1 < 12 25.9% 12-17 10.3 18-24 13.6 25-34 22.0 35-44 13.6 45-54 6.0 55-64 5.7 65+ 2.9	Median Age: 28 < 18 35% 18-24 8 25-34 18 35-44 18 45-54 9 55+ 12	Median Age: 35 < 18 21% 18-24 6 25-34 21 35-44 18 45-54 14 55+ 20	Median Age: 35.9 < 25 20.0% 25-34 28.0 35-44 21.4 45-54 15.4 55+ 15.2	25 - 54	Average Age: 37 18-24 21.9% 25-34 30.1 35-44 18.3 45-54 17.2 55+ 12.4	Average Age: 40.5 18-24 9.6% 25-34 31.0 35-44 25.1 45-54 17.3 55-64 10.3 65+ 6.8
PROFESSIONS	19% Prof./Tech. 22% Managerial 2/	47% Prof./Tech. 25% Mgr./Admin.	50% Prof./Tech. 26% Mgr./Admin.	51.1% Prof./Tech. 21.7% Mgr./Admin.	Upscale		
EDUCATION	57% At Least Some College 2/			89.4% Some College 59.6% College Grad	Upscale		
MEDIAN INCOME	$31,000 2/	$35,360	$36,138		Upscale	Over $20,000 52.4%	Over $20,000 79.4%
PER CAPITA SPENDING	$20.95	$23.36 4/	$20.83 4/	National Averages for Malls: 7/	Average Expenditure: $33.40	$18.29 10/	$18.26 10/
SIZE OF PARTY	4.2	4.0	3.3		20% Spend Nothing ---	1.74	2.0
LENGTH OF STAY	7.5 Hrs.	8.0 Hrs. 5/	8.7 Hrs. 5/		1.5 Hrs.; 80% Stay Less Than 2 Hours	1 Hr. 39 Min.	2 Hrs. 4 Min.

1/ Disneyland Guest Survey Summary, 1983
2/ Market Profile: Magic Kingdom Club, 1983
3/ Walt Disney World Guest Demographic Data, 1983
4/ Excludes participant operated locations. At EPCOT, participant food per cap is estimated at $3.45
5/ Walt Disney World Summer Utilization Study, 1983
6/ South Coast Plaza Shopper Survey, 1982
7/ Stillerman, Jones & Co., National Benchmarks, Shopping Center World, January 1983
8/ Interview with Leasing Office, August 1983
9/ Consumer Research Faneuil Hall, The Rouse Co., February 1980
10/ Of Those Who Spend Money
11/ Consumer Research Harborplace, The Rouse Co., April 1982

INDUSTRY AND CONSUMER TRENDS

INDUSTRY AND CONSUMER TRENDS

COMMERCIAL RECREATION

- Response to changing lifestyles and demographics blends theme park, participatory recreation and specialty retail elements into a mutually reinforcing attraction
- Must appeal to older audience as population ages
- Must target new segments
- Trend toward: affluent singles and adults, live entertainment, quality food service and merchandise, and participatory audio-video experiences
- The new entertainment center, according to Robert Shedlock of Economic Consulting Services, is composed of three elements: Mini-Park (rides, shows, games) 4-5 hour stay; Indoor Recreation (ice rink, roller rink, game arcade, shows, exhibits, dancing, etc.), year-round operation, enclosed recreational facilities; Retail Center (specialty retail, food service, merchandise), themed.
- Key new trends and products in commercial recreation development for the 1980's, according to Economic Research Associates, are:

  Special Markets: a focus on limited types of entertainment experiences such as water parks and participatory experiences

  Urban Products: such as "Festival Marketplaces" as part of downtown development; and compact, indoor, urban theme parks proposed in combination with specialty retail and entertainment experiences in a themed environment including admission charge

  Smaller Parks

  Participatory Activities

  Market Segmentation and Specialization:

    Older Age Group Appeal: "Urban recreation projects proposed for several cities will be directed primarily to an older age profile with focus on show entertainment, high quality food and beverage services and merchandising."

    Younger Age Group Appeal: directed at ages 3-13, such as Sesame Place and Hanna-Barberra Land.

  Joint Public/Private Development: such as Baltimore's Inner Harbor or San Francisco's Yerba Buena Gardens project

  International Theme Parks: international opportunities becoming attractive as primary U.S. markets become saturated

SHOPPING CENTERS

- The shopping center industry is mature, changing rapidly and highly competitive.
- There is growth of mixed-use developments and retailers. Centers are adding offices, restaurants, lodging, merchandise and entertainment (multitheaters, ice rinks, health clubs). Merchants are combining restaurants with markets, bakeries, wine shops, bookstores, antique shops, etc.
- There is a shift from out-lying-area development to urban in-fill, remodeling, renovation and redevelopment as new ways to create or revise distribution points. It is predicted that in 1983, 700 shopping centers were expanded, modernized or rehabilitated.
- There has been an expansion of fast food and waitress-served dining in shopping centers and an increasing share of GLA (gross leasable area) dedicated to food. Food is an important part of the business. Revenues depend on the amount of traffic and the length of stay -- the longer they stay, the more they spend. Food keeps people in the centers.
- There is a visible emergence of off-price and discount retailing and an emergence of off-price and discount centers. (Off-price outlets sell designer clothes at a reduced price, while discount stores generally sell non-brand or private label clothes that are lower in quality.)
- Architecture and design in centers are increasing in importance:
  - there is greater attention to dynamics and form, action, movement, variety
  - colors are bolder, warmer and there are more textures
  - graphics are better controlled
  - parking ratios are tightening up
  - space design is more verticle
  - three dimensional store fronts are intruding into common areas - this idea is becoming more popular
- There is an increase in store and center shrinkage programs to increase sales/square foot and operational effectiveness. This allows merchants to move into smaller centers and still maintain a reasonable return.
- The growth in discount centers and in in-home shopping services are eroding traditional retail and shopping center markets. Appealing to time-oriented, dual income households and to households seeking value are major challenges for the eighties.
- Sales per square foot:

Industry Average	$130./sq. ft.
South Coast Plaza	$181./sq. ft.
Faneuil Hall	$405.-$410./sq. ft.
Harborplace	$475./sq. ft.

RESTAURANTS

- Trend toward fast-food
- Trend toward informal, limited-menu dining
- Trend toward healthy, fresher, lighter food
- More meals out among upscale and dual income families
- American now spend 32% of their food budgets on food away from home
- Aging of U.S. population will aid restaurant growth
- Demand for imagination in design, preparation, presentation, theming
- Theme restaurants increasingly popular
- Innovation: dual-retail concept -- combining restaurants with bookstores, wine shops, bakeries, deli's -- stressing cleanliness, staff training, theming and detailing

CONSUMERS

- Emphasis on quality and value
- Emphasis on pragmatism - combining entertainment with other benefits, such as education, health, professional development, etc.
- More recreation planning; less spontaneity
- Interest in fine dining, specialty merchandise
- Return to nostalgia
- Preference for "make-believe": 36% of Yankelovich's 1983 survey expressed a "need to go to places that are so different from daily experiences that it feels like make believe."

YANKELOVICH MONITOR CONFERENCE

New York Hilton, November 16, 1983

Topic: "The New Realism in the 1980's: Melding the Social and Economic Agendas"

Conclusions:

- Focus on regional and local markets
- Combine entertainment with other benefits, such as education, health, professional development, etc.
- Be thorough in market analysis: determine the right product mix
- Offer quality and value
- Take advantage of marketing and promotional opportunities

DINNER THEATRES

- Most theatres are owner-operated, family businesses
- Average theatre size is 300 - 600 seats
- Year-round operation; 6 - 8 productions per year
- Break-even point about 70% of capacity
- Audience: elderly, middle-class; not theatre-oriented; prefer light entertainment (musicals, comedies or anything by Neil Simon)
- Busiest night: Saturday
- Average ticket price: $15 - $25
- Group size: 4 - 6
- Market area: 0-50 miles if theatre is good
- Profit derived from operational efficiency
- Volume food; buffets predominate
- Challenges: few new properties with appropriate appeal; high food and productions costs; industry susceptible to swings in economy

LEGITIMATE THEATRE

- Nation's theatrical business is dominated by Nederlander and Shubert Organizations
- Shubert operates one-half of the theatres on Broadway
- Nederlander, one-time partner of Shubert Brothers, competes vigorously
- Both operate circuits through major cities
- Nederlander expanding to TV circuit: has licensing agreements with HBO, Showtime and Entertainment Channel
- Challenge: economics of staging and maintaining a show
- Challenges may be offset by: touring shows among other Disney Centers and Disneyland and Walt Disney World; offering Disney Channel programming; recouping costs through Centers' other services

LODGING

- There is a decline in medium priced properties and a growth in the luxury and budget segments.

- The overall occupancy rate for 1981 was 67.5% and 64.8% in 1982. There is an overall slump in the market and particularly in the industrial heartland:

South Central region performed best	
Mountain and Pacific regions	3.1% decline (1980-1981)
Northeast and Mid-Atlantic regions	2.6% decline
South Atlantic regions	4.4% decline
North Central regions	4.6% decline

- The gross operating profit was 26.5% in 1982 of 1000 properties surveyed. (Gross operating profit is income before property taxes, insurance, depreciation, rent, interest, amortization, and income taxes.)

- There is increasing competition and increasing importance of marketing. Seasonal and daily fluctuations in occupancy require careful segmentation of 3 main targets:

  Convention and conference guests
  Independent business travelers
  Leisure travelers

- In response to the consumer trend to combine business and vacations, hotels are clustering around large convention and meeting centers.

- There is increasing interest in adding services. Hotels and especially resorts are developing or expanding their meeting and convention facilities. In addition to business and convention facilities, hotel "systems" are providing full services: food and beverage, dancing and live entertainment, exercise and fitness arrays, merchandise areas for convenience and specialty goods.

- Where a preponderance of independent operators once existed, affiliations with chains or consortia (voluntary associations) have become a prevalent way to do business. Independents now contract with chains to gain primary marketing and management support systems. Some hotels are forming clusters to share their conference facilities to increase the competitive edge over other hotels in their area.

- Hotels are seeking secondary markets as primary markets become saturated. Hotel rooms are being developed in the suburbs as business moves from cities into suburbs.

- The hotel industry's investment appeal as a hedge against inflation declined as high interest rates and mortgage payments eroded return on investment. Less capital is available from investors as well as from internal sources. The industry is still suffering from persistent inflation.

MEETINGS AND CONVENTIONS

- There has been an image shift as conventions become more serious. "Fun and frolic" has been replaced with "the business and learning experience."

- The "Conference Center" is the largest growing segment of the meetings industry. They tend to be carefully designed environments for serious meetings in scenic settings close to hotels and other facilities. They usually include dining facilities, bars, sleeping areas, entertainment, spas, reference libraries, meeting space, outdoor recreation (courts, jogging tracks, pools, golf, etc.), reception areas, etc. Some include theaters, auditoriums, and teleconference centers.

- Cities are rushing to build gigantic convention facilities to link these symbols of prestige with downtown revitalization. There is now speculation in the industry that this market is overbuilt.

- There is terrific competition for convention business as the number of cities capable of handling large conventions multiples: facilities that can handle 20,000 visitors went from 15 cities in 1970 to 142 cities in 1980. Millions of dollars are spent and sophisticated marketing techniques are used by promoters to woo conventions into their cities.

- High travel costs and teleconferencing threaten to erode a market whose growth is already slowing down, but some centers and hotel complexes are responding by entering the teleconferencing business.

- Meetings are being held closer to home.

- Convention trips are combined with vacations and families come along. Some cities are taking advantage of this trend. Ocean City, MD, for instance, is promoting "Kin-Ventions."

- Associations and businesses are in the price squeeze and are searching for the least expensive sites. Smaller cities, airport center locations, smaller conventions, and shorter bookings are the result. Instead of one large meeting, the trend has been to have several small regional meetings. As mentioned previously, teleconferencing is predicated to take an increasingly larger share of the market in the future. Linking smaller regional meetings together via teleconferencing is highly likely.

CATERING TO SPECIALIZED SEGMENTS

CATERING TO SPECIALIZED SEGMENTS

MARKET SEGMENTS	PROJECTS/CATEGORIES	SPECIAL ACTIVITIES AND PROMOTIONS
Children	Game Arcades/ Amusement Centers	Simulators Laser discs Personal computers Crawl throughs & swings Magic Relying on hi-tech innovations to spur growth in a flat market
	Children's Parks	
	• Sesame Place	40 outdoor play elements Enclosed computer gallery Science studio Restaurant based on concept of a "nutritional learning center"
	• Hanna Barberra Land	Promotoes parent-child shared experiences Emphasizes participatory activities Combines entertainment with learning: learning through play Children 13 and under Characters Live shows Children starring in videotaped cartoons Nets and slides

MARKET SEGMENTS	PROJECTS/CATEGORIES	SPECIAL ACTIVITIES AND PROMOTIONS
Family	Specialty Theatres (Films, other technology)	360^{o}: spherical theatres & hemispherical projection IMAX/Omni-Max 3-D Simulator Theatres Laser Theatres Multi-Media Theatres
	Interactive Museums • Ontario Science Center • Exploratorium • Reuben H. Fleet	Special educational programs for school age children
Young Adults/ Singles	Performance Lounges Dancing	
Adults	Specialty Centers • Ghiradelli Square • Pier 39	Boutiques Restaurants Mimes, jugglers, musicians, actors Carousels Game arcades
	Festival Marketplaces • Faneuil Hall • Harborplace • South Street Seaport	Specialty retail and food Highly selective tenant criteria Chaotic variety Ambience - combines commerce and showmanship creating warm and human places
	Legitimate Theatre	

MARKET SEGMENTS	PROJECTS/CATEGORIES	SPECIAL ACTIVITIES AND PROMOTIONS
Grey Market & Mature Market	Dinner Theatres	Discounts to seniors Incentives: wine for 2nd wife in group, 3rd wife in group free admission Adjacent rooms for club meetings Actors serving drinks before performance Actors reception line after performance Bus tours large part of business
	Bus Tours	Average Cost: $75 - $80, including transportation, lodging, meals & attraction admission One-day shopping tours Weekend trips - Las Vegas, ethnic festivals One week tours - New England 28 day tours - Pacific Northwest Especially strong in East & Midwest
Conventions	Major Cities	Dining Evening entertainment . live shows . lounges . films . theatre . dancing Group sales

SPECIAL MARKETING OPPORTUNITIES

SPECIAL MARKETING OPPORTUNITIES

GROUP SALES

- Group Sales for the Theme Park Industry averaged 27% of total attendance (1977 data-most recent available).
- In 1983, Disneyland's Group Sales amounted to 20% of total attendance or 2 million guests.
- Disneyland's Group Sales business consisted of the following:

30%	Private Parties and Mix-in's
30	Youth and Senior Events (predominately youth)
26	Tour and Travel
14	Conventions and Special Parties (e.g. New Year's Party)
100%	

- Per Cap Spending for Group Guests range from a high of 116% of regular guest spending for Grad Night guests to a low of 55% for Private Party guests.
- Seasonality: Disneyland's Group Sales boost attendance during the off-season -- primarily Spring and Winter.
- Demographics: largely early 20's to late 30's for Private Parties and under 20 for Youth events; conventions draw mid-career professionals with above average income and education.
- Judging from Disneyland, the Group business is highly cyclical depending on the state of the economy. Also, in a mature market such as Disneyland, repeat business is dependent on the introduction of new attractions.

BUS TOURS

- An $8.9 billion business nationally
- Bus tours' major market segments are Seniors (age: 55+) and Mature or Empty Nesters (age: 45-55 years).
- The Rouse Company reported that Faneuil Hall Marketplace received 9.1% of all shoppers from tour buses. More recently, Harborplace is receiving up to 100 buses daily during its peak season (stimulated in part by the area's other entertainment activities and unpromoted by Rouse).

CONVENTIONS

- In 1981, ten thousand five hundred major conventions were held nationally. Total convention spending amounted to $5.7 billion.
- Convention entertainment ranges from lavish, live entertainment productions and theme park entertainment to special parties.
- Several theme parks (including Walt Disney World) offer enough facilities and services to sell packages to convention planners including lodging, meeting facilities, exhibit space, food service and entertainment.

SPECIAL EVENTS

- Disneyland's Special Events encourage higher levels of repeat business. Festival Mexico and Festival Japan boosted weekend attendance an average of 20% and 19% respectively over the last four years.
- Another example of a Special Event is the Christmas Dinner at Yosemite's Ahwahnee Hotel where guests dress in medieval clothing for an evening of themed dining. The 1983 dinner attracted 15,000 entries to the dinner invitation lottery..

SPECIAL PROMOTIONS

- Season Tickets: Chanhassen Dinner Theater, for example, sells 30% of their house to season ticket holders.
- Magic Kingdom Club: special club offers could include discounts, special services, special events, etc.
- Packaged Prices: could include dinner, entertainment and parking in one price.

WED ENTERPRISES

INTER-OFFICE COMMUNICATION

P-1328 R-2

TO: PAT SCANLON

DATE: JANUARY 16, 1984

FROM: LYNNE MACER EXT: 7687

SUBJECT: DISNEY ENTERTAINMENT CENTERS RESEARCH

In response to Marty's note (attached) calling for more information on bus tours, circuits, conventions and dinner theaters, Dennis Kuba and Shirley Komoto have assembled the summaries which follow.

All areas offer potential to augment our entertainment mix and attendance at the Disney Centers.

Rick Rothschild has suggested that Dennis Despie, Del Shilling and John Lee from Entertainment be forwarded copies.

For your review.

Lynne

Lynne

LM:plb
Attachments
cc: Randy Bright
Rick Rothschild
Marty Sklar
icc: Shirley Komoto
Dennis Kuba

WED ENTERPRISES

INTER-OFFICE COMMUNICATION

P-1328 R-2

TO Pat Scanlon DATE November 23, 1983

FROM Marty Sklar EXT: 7251 SUBJECT Disney Entertainment Centers/Research

Several areas were discussed at our meeting with Dennis Despie and the Entertainment group Tuesday which call for further research to identify potentials for the Disney Entertainment Centers. These include:

1. Bus tours to entertainment/leisure time activities. We know this is big business in many resort/entertainment activities, including Las Vegas, Atlantic City, and more recently Walt Disney World. The people in Baltimore told us that Harbor Place is now receiving many tourists by bus. And bus tours made up a considerable part of the attendance for the Knoxville Fair.

   Can we identify this "phenomenon" and give us a feeling for its scope and dynamics?

2. "Circuits." Bob McTyre said in the meetings that there were several entertainment circuits (Shubert and Nederlander, for example) that operate a considerable part of the live entertainment and Broadway-type shows around the country. More information would be extremely helpful.

3. Conventions. This may be harder to get at, but the role of entertainment in conventions will be important. A significant business can be developed to play off conventions, filling off-peak times and providing special shows, etc.

4. We could use more information about specific successes, such as Church Street (attendance, capacities, per capita, etc.) and the major dinner show theaters mentioned in the meeting.

There may be other areas mentioned that you identified as well. Perhaps we should have a brief meeting among those listed to discuss this further.

Marty Marty

MAS:pg

cc: Lynne Macer
Randy Bright
Rick Rothschild

WED ENTERPRISES

INTER-OFFICE COMMUNICATION

P-1328 R-2

TO LYNNE MACER DATE JANUARY 3, 1984

FROM DENNIS KUBA EXT: 2496 SUBJECT DISNEY ENTERTAINMENT CENTERS RESEARCH

As requested, attached is a first pass look at bus tours, entertainment circuits and convention entertainment relative to the Disney Entertainment Centers.

The bus tours business, an $8.9 billion dollar industry nationally, sells its services primarily to Seniors (age: 55+) and the Mature or Empty Nester (age: 45-55years) markets. Both are interested in quality and service. However, they also appear to be more price conscious than we might like to see.

The nation's theatrical business is dominated by the Nederlander's Organization Inc. and the Shubert Organization. Both direct their own nation-wide circuit of owned and operated theaters and, in addition, compete to produce many of the shows they feature. There may be some advantage to tieing the Disney Entertainment Centers with the Nederlander or Shubert circuit. However, the economics of the theater business as well as the mix of live entertainment (i.e. live performers, musicals, plays, operas, music groups, etc.) to be featured are two areas which deserve further study.

The nation's touring attraction circuit is led by the shows of Ringling Brothers and Barnum & Bailey Combined Shows Inc. In addition to the circus, their shows include "Walt Disney's World On Ice" and "Walt Disney's Great Ice Odyssey." For the most part, these shows attract a midscale rather than upscale audience. More information on the Disney ice shows including attendance by city is forthcoming.

A convention entertainment business has grown up to support the nation's 10,500 conventions. While the "average" convention is relatively small, it may represent a viable market for a Disney Entertainment Center which could operate on a more modest scale relative to Disneyland. In addition, there are conventions which spend large sums on entertainment. More study is necessary to determine the extent of this market and the potential for group sales which as a whole could be considerable.

Dennis

DK:plb
Attachment

DISNEY ENTERTAINMENT CENTERS RESEARCH

BUS TOURS

According to Bill Bowden of the National Tour Association, the trade group of the motorcoach tour industry, annual spending for bus tours in the U.S. amounted to $8.9 billion.

There are two major markets for bus tours. The first is the Seniors Market (age: 55+), the largest single market for bus tours. Tour operators have found that older individuals today are healthier, more vigorous, financially-secure and adventuresome. Many are seeking some fulfillment in their lives which they may have been reluctant to do before. In addition, one tour operator noted, they love the relaxed pace of a motorcoach tour.

The Seniors Market is interest-rate sensitive. They were, for example, especially venturesome during the recent period of high interest rates which provided them with significantly more interest income than they had anticipated.

The second major market is the Mature or Empty-Nester Market. These are generally people (age: 45-55 years) who find themselves with fewer family responsibilities. Early retirees are also a significant part of this market.

Tour costs for the bus traveler average from $75 - $80 per day. This includes transportation, lodging, meals and admission to attractions. A typical tour can run from $500 - $600, while deluxe tours can range from $1500 - $2000.

Tour destinations appear to span the range of people's interests. The variety of available tours includes one-day shopping trips to Manhattan, weekend outings to ethnic festivals, week-long tours through New England in the Autumn, two-week trips to the Old West and 28-day super tours up the Pacific Northwest. Many tour operators survey their customers to determine the most desirable attractions and itineraries. Price, quality and service are the important factors in the purchase decision.

The season for bus tours is generally late spring, summer and fall. Winter tours are prevalent only in the Sun Belt and Florida.

While the bus tour business is nation-wide, it is especially strong in the East and the Midwest where one finds established companies with long-popular tours. The Top 10 States by bus tour expenditures can be seen on the following page.

The Disneyland Guest Survey for 1982 shows that chartered or tour bus arrivals represented only 2.3% of all guests. The primary reason for such a small percentage share may be Southern California's dependence on the automobile. In addition, the marketing emphasis for the Walt

TOP 10 STATES BY BUS TOUR EXPENDITURES

STATE	EXPENDITURES* (1981)
1. California	$880 million
2. New York	655 million
3. Pennsylvania	534 million
4. Texas	514 million
5. Florida	469 million
6. Nevada	394 million
7. Illinois	361 million
8. Minnesota	318 million
9. Colorado	291 million
10. Virginia	277 million

* Includes expenditures for transportation, rooms, meals, admissions, etc.

Disney Travel Company is directed primarily towards the airlines which it is felt provide a greater percentage of guests for Disneyland's upscale product. Bus tour patrons, the Travel Company feels, tend to be more price-conscious.

In contrast to Disneyland, The Rouse Company research shows that in October of 1979 Faneuil Hall Marketplace drew 9.1% of all shoppers from tour buses or 17.7% of shoppers classified as tourists. The importance of this group is further enhanced by the fact that Faneuil Hall's tourists who comprised 49% of all shoppers accounted for 63.1% of total sales.

Clearly, the reason for going to Faneuil Hall (as well as the price) is different than that for Disneyland, however, if the Disney Entertainment Center ultimately incorporates elements similar to both places one can see some potential for bus tours to provide an ancillary market. However, we should be aware that this market may be more price-conscious than we might like to see.

ENTERTAINMENT CIRCUITS

Through a nation-wide circuit of owned or operated theaters, the Nederlander Organization Inc. and the Shubert Organization dominate the nation's theatrical business.

The Shubert Organization, now part of the non-profit Shubert Foundation, is the more established of the two. The Organization is the legacy of the Shubert family which started with one theater at the turn of the century and ended up controlling most of the country's legitimate theaters before being broken up by a U.S. government anti-trust suit in 1950. Today, their organization owns or operates 17 theaters in New York (which make up nearly half the houses on Broadway) as well as theaters in Chicago; Boston; Philadelphia; Washington, D.C.; and Los Angeles.

The Nederlander Organization is a family-owned business which has grown to prominance by aggressively challenging the Shuberts. Ironically, the founder of this organization was once a partner with the Shubert brothers in the ownership of a Detroit theater until 1957 when an argument precipitated by the government's antitrust actions split the two parties. Since then, both firms compete vigorously for theater ownership and theatrical production rights. Today, the Nederlander Organization owns or operates 12 theaters in New York and 14 theaters and 5 amphitheaters across the country in Chicago, Baltimore, St. Louis, San Francisco, Los Angeles, San Diego, and Phoenix. In addition, they also own a theater in London.

Complementing their theater operations, both organizations also produce or co-produce many of the shows they book into their theaters. Nederlander considers itself a "commercial producer" financing well-done productions that will draw the audience. Shubert tends to see itself as working to "forward the arts." Regardless of these self-images both can boast an impressive roster of commercial hits. Recent shows produced by Shubert include "The Gin Game," "Ain't Misbehavin," "Dancin," "Children of a Lesser God," "Amadeus," and "Evita." Nederlander produced shows included "Applause," "Otherwise Engaged," "Whose Life it is Anyway?," "Woman of the Year" and "Annie."

Generally, the "circuit" for those productions is as follows: New plays or musicals will debut and fine-tune their performances on a try-out circuit which might include Boston, Philadelphia and Washington, D.C. If there is some measure of success, the show is brought to Broadway. Then, if still successful, the show will be performed in other cities throughout the country. The Top 10 Road Cities and their 1981-83 box office receipts can be seen on the next page.

Nederlander recently has added another step to the circuit -- television. A joint partnership with RKO produces entertainment programming for television featuring not only Nederlander's theatrical productions but those from the Royal Shakespeare Company as well. Currently, RKO-Nederlander Productions has licensing agreements with HBO, Showtime, and the Entertainment Channel (now the Arts & Entertainment Network).

In discussing entertainment circuits further with Bob McTyre, he urged us to be extremely cautious. He characterized the live performing arts business as "very unscrupulous." Therefore, we should be careful with whom we might become affiliated. The Shubert Organization, he feels, has a good reputation but they may not be interested in Disney for two reasons. First, they do not seem to be interested in expanding their circuit and second, they prefer total control to partnerships.

While developing a relationship with a Shubert or Nederlander circuit might assist us in booking Broadway-type shows, it is not clear whether there are enough economic incentives for us to enter such a tumultuous business. Variety's report of the 1982-83 Broadway season suggested that the economics of staging and maintaining a show are producing a greater proportion of money-losers than ever before thus arousing suspicions about the theater's future.

For a Disney Entertainment Center these concerns may be mitigated somewhat by recouping our costs through a Center's other services, by touring the show among other Centers around the country (and possibly Disneyland and Walt Disney World) or by offering potential for Disney Channel programming.

TOP 10 ROAD CITIES BOXOFFICE TOTALS

	1981-82			1982-83		
	PLAYING WEEKS	SHOWS PLAYED	TOTAL B.O. RECEIPTS	PLAYING WEEKS	SHOWS PLAYED	TOTAL B.O. RECEIPTS
Los Angeles	315	34	$49,479,600	270	38	$34,616,903
Chicago	69	14	14,337,851	73	15	21,813,147
San Francisco	124	17	27,099,423	90	14	16,035,034
Washington	149	27	21,619,605	102	25	12,481,899
Boston	73	19	17,859,792	56	12	11,527,719
Toronto	49	9	6,062,875	63	13	11,009,381
Philadelphia	92	13	18,570,288	42	12	8,670,926
Seattle	40	10	9,906,206	35	9	8,401,243
Baltimore	25	11	4,357,717	28	11	5,454,359
Detroit	79	14	15,942,382	26	8	4,799,141

Note: The above figures apply only to so-called Grand Rights productions (i.e. High quality, major city productions), not bus-and-truck, one-night scheduled shows or regional, resident or stock operations.

The booking advantage in becoming a part of a Shubert or Nederlander circuit deserves further study. One concern is their current presence in major markets which may lessen their usefulness to us in those communities by putting us in a competitive (or at best a secondary) position to their local theaters.

Judging from traditional performing arts audiences, it seems likely that legitimate theatrical productions would appeal to a more affluent but smaller segment. To attract a broader audience might require us to book more live performers, musicials, comedies and music groups.

With a less theatrical orientation such as this, an affiliation with Shubert or Nederlander seems to offer fewer advantages as their dominance does not seem to extend into the non-theatrical area.

Besides the theatrical circuit, however, there are a number of traveling shows which together can be seen as a touring attraction circuit. While the vast majority of these shows are of interest primarily to fairs and carnivals, the shows of one company - Ringling Brothers and Barnum & Bailey Combined Shows Inc. - are noteworthy.

Besides the circus, which is toured in two independent units, the firm's shows include "Walt Disney's World On Ice," "Walt Disney's Great Ice Odyssey" and "Beyond Belief," a production show based in Las Vegas.

Each show (with the exception of "Beyond Belief") travels its own circuit. The two circus units during the year perform 1000 shows in 82 cities before more than 7 million people. "Walt Disney's Great Ice Odyssey" has a 35 city tour, while "Walt Disney's World On Ice" travels to 31 cities.

In contrast to the theatrical circuit, these touring shows appeal to a more midscale rather than upscale audience. While the average ticket price for a theatrical production is estimated at $27, the highest price for tickets to the circus or ice show is less than $10 each.

Total revenues for the circus, the Disney ice shows and the Las Vegas show is estimated at $70 million (the circus alone accounts for $40 million), which nets the company $5 million.

A more in-depth report on the Disney ice shows circuit including attendance by city is forthcoming.

CONVENTION ENTERTAINMENT

To understand the convention entertainment potential for the Disney Entertainment Centers, an overview of the convention market is helpful.

In a biannual study conducted by Meetings and Convention magazine, ten thousand five hundred major conventions were reported held in 1981 by associations of all kinds. Total convention spending in all categories amounted to $5.73 billion. (Entertainment-related spending was not available.)

Three quarters of these conventions are held annually, half during the period between March through June. October is also a popular month.

Geographically, the states hosting the most conventions are California (11%), Florida (8%), New York (7%), Illinois (6%), and Texas (5%). The top twenty U.S. cities by convention attendance and activity can be seen on page 10.

An "average" convention was sponsored by a trade or professional association having 13,314 members. Its gathering attracted 899 delegates and several hundred spouses. This cost the association $40,266 and each delegate $560.

The experience in Anaheim as reported by their Visitors and Convention Bureau provides a general idea on entertainment-related spending at conventions. As 82% of all meetings in Anaheim attract 1,500 attendees or less, it would appear on the surface that these meetings roughly correspond to an "average" convention as configured above. According to Richard Greene of the Bureau's Convention Sales department, conventions in Anaheim generally spend from $2,000 to $12,000 for entertainment. There are, on the other hand, conventions which spend much more. One paid a reported $55,000 to be entertained by Donny & Marie.

In large part, the reason for such a large discrepancy is related to the function entertainment fulfills at a convention. Associations, notably those for professions, use entertainment as a diversion from conference business as well as a socialization mechanism. Their entertainment spending tends to be moderate.

In contrast, companies selling their goods or services at trade shows often use entertainment as a marketing tool to appeal to customers and potential customers. As a result, these companies will often spend far greater sums on entertainment than the trade associations which sponsor the convention.

With both associations and companies as customers, an active market for convention entertainment has arisen which is being serviced by hotel convention planners, local booking agencies and theme parks.

For the Disney Entertainment Centers, we can learn much through a review of convention entertainment offerings from theme parks across the country (see chart on next page).

In addition to providing access to rides and attractions, meeting planners can select among a variety of themed parties, special shows and wandering entertainers. For the most part, these activities take place at the park. The sheer range of options available allows for customizing entertainment to fit the group's needs and budget.

Food service goes hand in hand with entertainment. The parks offer facilities, decor and ambiance to support themed dinners, banquets, cocktail parties, receptions, award presentations, picnics, lunches and breakfasts.

Several parks also offer spouse and children's programs and specially-arranged tours.

In addition to the above, some parks such as Walt Disney World, Opryland and Hersheypark are equipped to package an entire convention from hotel rooms, exhibit space and meeting halls to banquets and recreation. These packages are available for all groups from 25 to 10,000 attendees.

Disneyland which lacks many of these facilities, operates on a more modest scale. For the most part, it works with the Anaheim Convention Center and the local hotels by providing off-property live entertainment (e.g. shows, musical groups, character meet and greets) and encouraging the use of park facilities through a variety of group plans. The lodging, food and beverage businesses belong to the hotels.

The significance of this business to Disneyland is difficult to determine as they apparently do not break out convention business from group sales in general. Groups, however, including conventions, large and small companies, high school grads, youth groups, religious groups, travel groups, the military and seniors account for between 20-25% of Disneyland's total gate. We may in the future wish to look at the potential for group sales as a whole at a Disney Entertainment Center.

CONVENTION ENTERTAINMENT SERVICES OF SELECTED THEME PARKS*

THEME PARK	PARK FACILITIES	ENTERTAINMENT	FOOD SERVICE	OTHER	SPECIAL FACILITIES
Disneyland	Rent Entire Park	Live Entertainment Character Meet & Greet	Themed Dinners	Special Tours	
Walt Disney World	Rent Entire Park	Magic Kingdom Party Character Meet & Greet Live Entertainment	Cocktail or Dinner Cruises Aboard "Kingdom Queen" Paddlewheeler Themed Dinners (50's, Rock n' Roll, Country & Western, Jazz)	Spouse & Children's Programs Disney Seminar Programs	Hotel & Conference Facilities
Circus World	Park Access (after-hours)	Circus Shows Clowns Bands	Dinner Shows, Cocktail Parties		
Opryland, USA	Park Access	Special Parties	Breakfast, Lunch & Dinner Opryland Great American Picnic	Spouse & Children's Programs Attend Grand Old Opry House Performances Tours of Opry House, Ryman Auditorium, Nashville TV Studios	Hotel and Conference Facilities Theater Facilities
San Diego Sea World	Rent Portion or Entire Park	Themed Parties (Black & White [i.e. Penguins]; Barbery Coast; Sherwood Forest; Hawaiian Feasts; Oktoberfest	Receptions, Banquets, Picnics, Themed Dinners, Awards Presentations, Cocktail Parties	Spouse & Children's Programs	Banquet Rooms Meeting Spaces
Old Country, Busch Gardens	Park Access	Strolling Minstrels, Merlin The Magician, Shakespeare, Pick-Pocket of Hastings, Brunhilda, French Pastry Chef and Rain-maker, an Italian Grape Stomper	Themed Dinner Parties (e.g. Oktoberkest with German Dancers and an Oompah Band)		Black Forest Picnic Village Relationship with Colonial Williamsburg Foundation allows access to conference facilities & cultural attractions
The Dark Continent/ Busch Gardens	Rent Portion or Entire Park	Live Entertainment (from snake charmers to Bavarian Bands and Dancers)	Employee Picnics and Get-togethers		
Cypress Gardens	Can Reserve Portion of Park	Themed Parties (South Seas Luau; Market Place Bazaar; Clam Bakes Gone With the Wind Buffet) Live Entertainment (Rock 'n Roll, Barbershop Quartet, Magic Acts, Water Ski Revue)	Breakfasts, Lunches, Formal Open-Air Dinners, Seafood Extravaganzas Wine & Cheese Parties, Picnics	Boat Tours	Cypress Garden Quality Inn includes 158 rooms, banquet facilities, meeting rooms, reception areas & dining areas
Hersheypark	Park Access		Picnics, Catering		Hershey Lodge & Convention Center

* List does not include all available options.

DISNEY ENTERTAINMENT CENTERS RESEARCH

TOP TWENTY U.S. CITIES BY CONVENTION ATTENDANCE, 1979

CITY (SMSA)	SHARE (Est. Mkt. %)
* Chicago/Oakbrook/Rosemont, IL	12.01
New York, NY	10.60
* Dallas, TX	4.86
Atlanta, GA	3.97
* Detroit/Dearborn, MI	3.44
Las Vegas, NV	3.41
Houston, TX	3.37
* San Francisco/Oakland, CA	3.14
New Orleans, LA	2.93
* Los Angeles/Anaheim, CA	2.92
Denver, CO	2.67
* Metropolitan Washington, D.C.	2.06
St. Louis, MO	1.90
Kansas City, Kansas/MO	1.40
Boston, MA	1.20
Atlantic City, NJ	1.08
* Miami/Miami Beach/Hollywood, FL	1.07
Philadelphia, PA	1.05
* Minneapolis/St. Paul/Bloomington, MN	0.90
Milwaukee, WI	0.88

* Cities participating in multiple city trading areas

Source: World Convention Dates, Volume 64, No. 6, Hendrickson Publishing Co., Inc.

WED ENTERPRISES

INTER-OFFICE COMMUNICATION

P-1328 R-2

TO LYNNE MACER

DATE JANUARY 12, 1984

FROM SHIRLEY KOMOTO EXT: 7419

SUBJECT DINNER THEATER INDUSTRY

The following summary is based on interviews with theater producers or marketing directors and with Marvin Poons, Director of the American Dinner Theater Institute and Joe Garder, the Business Representative for dinner theaters at Actor's Equity. Their combined experiences and insights on the industry are consistent. There is little published and still less quantitative financial information on the industry.

A dinner theater is an entertainment experience where dining and theater are in the same location and the ticket price is combined. To quality for dinner theater scale through Actor's Equity, at least 75% of the tickets must be sold as a combination and the dining and theater experiences must occur in the same or adjoining rooms.

OPERATION

Most dinner theaters are owner-operated, family businesses. There are 50 equity theaters in the nation; only a handful are chain-operated.

CAPACITY

There are four size categories, determined by seating capacity:

Petite	0 - 279 seats
Small	280 - 399 seats
Medium	400 - 599 seats
Large	600 - 1000 seats

The average dinner theater is between 300-600 seats, presents 6-8 productions each year, and runs every week of the year. Most have 8 performances per week. The break-even point seems to be about 70% of capacity for the average dinner theater.

PATRONS

Dinner theater patrons tend to be elderly, middle-class and not particularly theater-oriented. About half have never seen a live theatrical stage production other than in dinner theaters.

WED ENTERPRISES

INTER-OFFICE COMMUNICATION

P-1328 R-2

TO LYNNE MACER DATE JANUARY 12, 1984

FROM SHIRLEY KOMOTO EXT: 7419 SUBJECT DINNER THEATER INDUSTRY

Guests come for the total package: ambiance, food, entertainment. They prefer light entertainment: musicals and comedies. Known titles and proven works do best (e.g. Sound of Music or anything by Neil Simon).

CHALLENGES

The two major challenges in the industry are COSTS and SHORTAGE OF THEATRICAL PROPERTIES.

Theatrical Properties: The major source of theatrical property has traditionally been Broadway. Broadway has moved away from light entertainment and there have been few new properties that have name appeal and are also appropriate for the dinner theater circuits. It is considered risky to experiment with new titles in the dinner theater circuit because of costs and the audience-type.

Costs: Food and production costs have escalated rapidly. The industry feels that the product is still a great bargain, but the price per ticket is high for their typical audience.

Food costs vary by breadth of the menu, preparation and display, and type of service (waitress vs. buffet). Buffets seem to be the predominant form of service. Tax and tip, beverages and sometimes desserts are extra. The bar is where they make their money.

Production costs vary by royalty; talent (star vs. no star); number of sets, costumes, and effects; and by size of cast. A "guesstimated" margin of profit is 10%. Dinner theaters are highly susceptible to swings in the economy and to food price fluctuations. Their low profit margin makes them vulnerable if a show does poorly. The industry, as a whole, has been on a rollercoaster over the last 5-10 years.

OTHER INFORMATION

Intermission	1 or 2 per performance
Busiest Period	Saturday evening performance
Ticket Price	\$15 - \$25 average
Group Size	4-6; bus tours are a large part of the audience at some theaters
Market Area	0-50 miles, if the theater is good
Discounts	Large groups and seniors

WED ENTERPRISES

INTER-OFFICE COMMUNICATION

P-1328 R-2

TO LYNNE MACER

DATE JANUARY 12, 1984

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SUBJECT DINNER THEATER INDUSTRY

SUMMARY

The marketplace for dinner theaters is changing. As the population ages, popularity of dinner theaters may increase. People are seeking quality and value and the company that can provide that, with the right ambiance, can be successful. Profit margin is the problem and operational efficiency among the small businesses is the unknown.

A detail sheet on selected dinner theaters is attached.

Shirley

Shirley

SK:plb
Attachments

DINNER THEATER SUMMARY

	BURT REYNOLDS DINNER THEATER "Star Talent"	CANDLE LIGHT DINNER PLAYHOUSE "Longest Running"	CHANHASSEN DINNER THEATER CENTER "The Cadillac of Dinner Theaters, A Theater Center, Four Theaters Under One Roof"				COUNTRY DINNER PLAYHOUSE "Low Price, High Volume"	HAYLOFT DINNER THEATER "Finest Food on the Circuit"	STAGE WEST THEATER RESTAURANT "Only equity Chain in U.S."	INDUSTRY AVERAGE PER RESTAURANT BUSINESS "Unique Entertainment Experience"
			CHANHASSEN DINNER THEATER	CHANHASSEN PLAYHOUSE	CHANHASSEN COURTYARD	FIRESIDE DINNER THEATER				
FACILITY:										
Opened	January 1979	1961	1968	1970	1974	1978	1971	1973	November 1983	
Location	Jupiter, FL	Summit, IL (near Chicago)	Chanhassen, MN (near Minneapolis)				Englewood, CO (near Denver)	Manassas, VA (near Wash.DC)	Cathedral City, CA (near Palm Springs)	
Size	Medium	Medium	Medium	Petite	Petite	Petite	Medium	Small	Medium	
Capacity	424 Musicals 450 Plays	550	575	130	172	228	470	356	500	300 - 600 seats
ATTENDANCE: (52 weeks)	170,000/year estimate 96% paid capacity	205,900/year estimate 90% paid capacity	6,000/week, 312,000/year Approximately 70% paid capacity, goal is 80% paid capacity				176,000 est. Approx. 90% paid capacity	105,000 Approx. 80% paid capacity	Avg. 100-200/performances (closed June-Aug. yearly)	
PRODUCTIONS:										
Prod./Year	10	4	2	1	1-2	2	6	6-7	Unknown	6-8
Intermissions		2	1	1	1	1	1	1-2	1-2	1-2
Perform./Week	8	8	8	8	7	8	8	7	7	8
Ttl Seats/Year	187,200	228,800	239,200	54,080	62,600	94,850	195,500	130,000	136,500	--
DINNER: Service Type/Meal	Waitress Gourmet Selections	Waitress Gourmet Selections	- Waitress served, American fare - Largest food operation in the State, 19th largest in the nation - 1982 food/beverage sales - $760,000				Buffet Waiter/waitress Entertainment	Buffet Gourmet	Buffet Gourmet	80% buffet Beef is #1
PRICES/COSTS:	$20 - $26 $14 for meal 51% sold as season tickets Avg. bar tab: $5.00	$20 - $27 $11 - $17 for show alone Small % sold as season tickets Avg. Dessert/beer tab: $5 - $7	$17.50 - $27.50 $7.25 for meal No season tickets - Need 5,000 guests/week to break even, started showing a profit in 1971 - Musicals production costs $100,000				$9 - $16 No season tickets	$19.50 - $25 Several thousand season ticket holders per year	$13.90-$30.40 No plans to offer season tickets	$15-$25 average 10% profit margin questimate Profits from bar, specialty desserts & specialty appetizers; 35% of customers order a bottle of wine for the table
Other Revenue From:	Separate Lounges		Separate Lounges, meeting rooms, gift shops, etc.							
TRAFFIC PATTERNS: Busiest Periods	Weekends	Sunday matinees & Saturday late evening	Busiest performance: Saturday nights Busiest months: April, May & December				Matinees & Saturdays	Saturday evening	Busiest Season: Winter Busiest Perform: Fri./Sat. even.	Saturday evening
TYPICAL GUEST:	Older, 50 mile radius, groups	Old and young, Midwest	Older, groups, 5-State area (Minnesota, North/South Dakota, Iowa, and Wisconsin)				Older, middle class, around Denver area	Older, middle class	Older, groups, heavily tourist	- Seniors & 35-50 years old - A non-regular theater-goer - Middle class - Casual dress - Repeat visitor - Refers light entertainment