

10. Cooper's Ice Center

Claude Cooper, the manager of Cooper's Ice Center, is trying to decide what strategies to use to increase profits.

Cooper's Ice Center is an ice-skating rink with a conventional hockey rink surface (85 feet $\times$ 200 feet). It is the only indoor ice rink in a northern U.S. city of about 450,000. The city's recreation department operates some outdoor rinks in the winter, but they don't offer regular ice skating programs because of weather variability.

Claude runs a successful hockey program that is more than breaking even—but this is about all he can expect if he only offers hockey. To try to increase his profits, Claude is trying to expand and improve his public skating program. With such a program, he could have as many as 700 people in a public session at one time, instead of limiting the use of the ice to 12 to 24 hockey players per hour. While the receipts from hockey can be as high as \$200 an hour (plus concession sales), the receipts from a two-hour public skating session—charging \$5 per person—could yield up to \$3,500 for a two-hour period (plus much higher concession sales). The potential revenue from such large public skating sessions could make Cooper's Ice Center a really profitable operation. But, unfortunately, just scheduling public sessions doesn't mean that a large number will come. In fact, only a few prime times seem likely: Friday and Saturday evenings and Saturday and Sunday afternoons.

Claude has included 14 public skating sessions in his ice schedule, but so far they haven't attracted as many people as he hoped. In total, they only generate a little more revenue than if the times were sold for hockey use. Offsetting this extra revenue are extra costs. More staff people are needed to handle a public skating session—guards, a ticket seller, skate rental, and more concession help. So the net revenue from either use is about the same. He could cancel some of the less attractive public sessions—like the noon-time daily sessions, which have very low attendance—and make the average attendance figures look a lot better. But he feels that if he is going to offer public skating he must have a reasonable selection of times. He does recognize, however, that the different public skating sessions do seem to attract different people and really different kinds of people.

The Saturday and Sunday afternoon public skating sessions have been the most successful, with an average of 200 people attending during the winter season. Typically, this is a "kid-sitting" session. More than half of the patrons are young children who have been dropped off by their parents for several hours, but there are also some family groups.

In general, the kids and the families have a good time—and a fairly loyal group comes every Saturday and/or Sunday during the winter season. In the spring and fall, however, attendance drops by about half, depending on how nice the weather is. (Claude schedules no public sessions in the summer, focusing instead on hockey clinics and figure skating.)

The Friday and Saturday evening public sessions are a big disappointment. The sessions run from 8 until 10, a time when he had hoped to attract teenagers and young adult couples. At \$5 per person, plus \$1.50 for skate rental, this would

be an economical date. In fact, Claude has seen quite a few young couples—and some keep coming back. But he also sees a surprising number of 8- to 14-year-olds who have been dropped off by their parents. The younger kids tend to race around the rink playing tag. This affects the whole atmosphere, making it less appealing for dating couples and older patrons.

Claude has been hoping to develop a teenage and young-adult market for a "social activity," adapting the format used by roller-skating rinks. Their public skating sessions feature a variety of couples-only and group games as well as individual skating to dance music. Turning ice-skating sessions into such social activities is not common, however, although industry newsletters suggest that a few ice-rink operators have had success with the roller-skating format. Seemingly, the ice-skating sessions are viewed as active recreation, offering exercise or a sports experience.

Claude installed some soft lights to try to change the evening atmosphere. The music was selected to encourage people to skate to the beat and couples to skate together. Some people complained about the "old" music, but it was "danceable," and some skaters really liked it. For a few sessions, Claude even tried to have some couples-only skates. The couples liked it, but this format was strongly resisted by the young boys who felt that they had paid their money and there was no reason why they should be kicked off the ice. Claude also tried to attract more young people and especially couples by bringing in a local rock radio station disc jockey to broadcast from Cooper's Ice Center—playing music and advertising the Friday and Saturday evening public sessions. Cooper's son even set up Facebook and MySpace pages for Cooper's, but only a few people joined the groups. All of this appeared to have no effect on attendance, which varies from 50 to 100 per two-hour session during the winter.

Claude seriously considered the possibility of limiting the Friday and Saturday evening sessions to people age 14 and over—to try to change the environment. He knew it would take time to change people's attitudes. But when he counted the customers, he realized this would be risky. More than a quarter of his customers on an average weekend night appear to be 13 or under. This means that he would have to make a serious commitment to building the teen and young-adult market. And, so far, his efforts haven't been successful. He has already invested over \$3,000 in lighting changes and over \$9,000 promoting the sessions over the rock music radio station, with very disappointing results. Although the station's sales rep said the station reached teenagers all over town, an on-air offer for a free skating session did not get a single response!

Some days, Claude feels it's hopeless. Maybe he should accept that most public ice-skating sessions are a mixed bag. Or maybe he should just sell the time to hockey groups. Still he keeps hoping that something can be done to improve weekend evening public skating attendance, because the upside potential is so good. And the Saturday and Sunday afternoon sessions are pretty good money-makers.

Evaluate Cooper's Ice Center's situation. What should Claude Cooper do? Why?