

HOTEL WATERPARKS: The Next Big Thing

Vision 2020: Emerging trends for the future and today

By Ron Anger, Editor, Resort + Recreation Magazine

February, 2005. --- According to an International Spa Association study, 2001 was the first year spa revenues outpaced golf revenues in the resort industry. While the spa development boom continues unabated, following closely on its heels is what we believe is the Next Big Thing: the indoor waterpark and its offshoot - waterplay.

Waterpark theme hotels entered the resort scene around ten years ago, and have quickly picked up steam. According to Hotel Waterpark Resort Research & Consulting, a collaboration of **hospitality consultant Jeff Coy** and leisure industries consultant Bill Haralson, the launch of the waterpark resort industry is generally credited to Stan Anderson and his Polynesian Resort partners (Wisconsin Dells, Wisconsin) in 1994. Searching for a way to boost room occupancy, Anderson attended an industry trade show where he discovered “waterplay” as a means of providing more entertainment for his guests. Moreover, he made the wise decision to locate these water features indoors. Thus, a new industry was born: the waterpark resort.

The summer season in Wisconsin Dells is short, only about 100 days, and it’s true that resorts there must “make hay while the sun shines”. Weather is sometimes cold and rainy, though -- conditions that are obviously unfavorable to tourism. The Polynesian’s addition of an indoor waterpark rendered the weather inconsequential to their – now improved – business. When other hotel and resort owners witnessed the positive results of the waterpark development at the Polynesian, the waterpark trend in the Wisconsin Dells caught on – fast.

Increased Hotel Occupancy

In a survey conducted by **Coy** and Haralson, they noted that hotels with indoor waterparks at Wisconsin Dells enjoyed 30% higher occupancy than their hotel neighbors with ordinary swimming pools during the September – December period, as well as over 20% greater occupancy in the months January – April. Survey results clearly showed hotels with indoor waterparks having a distinct competitive advantage in attracting visitors during the slower shoulder months and the low months as compared to hotels having only ordinary indoor swimming pools.

Additionally, many indoor waterpark theme hotels get significant “per person” premiums above their previous room rates. Hotels with indoor waterparks captured an average room rate of \$114.24 at Wisconsin Dells in 2001, 154.9% greater than those without indoor waterparks (average room rate of only \$44.82).

Quite simply, Increased Occupancy + Premium Room Rates = Major Improvement in Bottom Line Results.

Hotel Indoor Waterparks Attract More Visitors

The evolution of the indoor waterpark is turning former “hotels” into true resorts. According to the Wisconsin Dells Convention and Visitors Bureau, the number of visitors staying at least one night in “the Dells” increased from 1.6 million to 2.5 million between 1993 and 2000 - a growth rate of 56 percent. More remarkably, the spectacular growth has occurred during the September-April period when the number of persons staying overnight in the Dells increased 273 percent.

Clearly, the development of the waterpark resort industry in the Dells area demonstrates the potential for waterplay to provide a resurgence in both occupancy and revenue generation.

For as long as 100 days per year, the Dells area is a veritable tourist mecca, drawing families from Minnesota, Illinois and even Michigan. A testament to the power of waterplay, say Coy and Haralson, is that indoor waterpark resorts are often successful in spite of their location. In fact, according to a 2004 study completed by Hotel Waterpark Resort Research & Consulting, almost all new indoor waterpark development is occurring in relatively obscure locations such as Minot, North Dakota, Sterling Heights, Michigan, and Amana, Iowa. And the fact that families are willing to travel to these areas during the cold of winter speaks volumes about the drawing power of the waterpark resort concept.

There are more than fifty hotels with indoor waterparks in the Upper Midwest, with many becoming both the occupancy- and price-leaders in their markets. Hotels with indoor waterparks are extending their short peak seasons to year round, running 95% to 100% occupancy every weekend. One resort manager who is convinced is Robert Leslie, president of National Hospitality Services (NHS). NHS presently has two properties that include indoor waterparks: Ramada Plaza Suites & Conference Center, Fargo, North Dakota and Ramada Plaza Hotel, Green Bay, Wisconsin. “We draw family business from a 200-mile radius,” says Leslie. “I will never build another hotel without a waterpark or similar form of entertainment.”

RESOURCE BOX

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