Why Do We Need 100% "Real" Adult Rollerskating?

"Roller skating may seem kind of retro, but it isn't a thing of the past, says Jim McMahon, executive director of the Indianapolis-based Roller Skating Association International. In fact, rinks are thriving—just not where you'd expect. "It's not a declining industry," McMahon said. "We have gotten 15 brand new skating rinks all over the country over the past 14 months."

Jim McMahon, President, Roller Skating Association International The Atlantic, May 13, 2014

http://www.theatlantic.com/business/archive/2014/05/whatever-happened-to-roller-skating/362100/

On the contrary, and with all due respect to Mr. McMahon and the trade association (RSAI / rollerskating.com) representing skating center owners and operators, teachers, coaches and judges of roller skating, and manufacturers and suppliers of roller skating equipment, roller skating is definitely a thing of the past, and especially as far as adults are concerned. Over the past twenty years, more rinks have closed than opened. Even worse, the roller skating "industry" (does one actually exist?), has never and does not make any concerted effort to market itself via outcome-based marketing campaigns and strategies comparable to amateur and professional ice skating, or amateur or professional football, basketball, hockey, golf, or even track and field. There's no "Super Bowl," or "Final Four," or even a "Wrestlemania." Why is that?

Even worse, ESPN and other broadcast entities only broadcast some roller skating or roller derby events as "filler" content, but never as a high priority "prime time" broadcast event, because television is about ratings and advertising demographics and "roller skating" does not generate the required audience to be considered anything more than "filler" content. Plus, absent from roller skating are paid sponsorships of major national and international events, and especially the sponsorship of athletes and other key figures who can propel interest in a given sport or activity, such as: the \$300 million Nike endorsement of NBA superstar Kevin Durant; or the \$60 million dollar per year collective endorsements paid by Wilson, Nike, Rolex, Gillette, and Mercedes-Benz to tennis star Roger Federer; or the \$10 million dollar per year Puma endorsement of track star Usain Bolt, or the \$6 million McDonald's paid to Justin Timberlake; or the \$12 million OPI Nail Polish paid to Justin Bieber, or the \$40 million Nespresso paid to George Clooney. Are RSAI members afraid to pony up the financial capital and make the necessary investment to propel their industry?

Perhaps, RSAI members do not have the financial resouces to acquire celebrity athletes, actor, and public figures to promote roller skating, but this is a lame excuse. For example, does it occur to RSAI that in addition to drinking coffee, George Clooney might actually roller skate too, and he might, he just might be willing to do a public service announcement (PSA) to support National Rollerskating Month, which occurs every October (and is rarely recongized by local and national print and broadcast media)? **Has anyone asked George Clooney?**

Let's look at the facts.

BACKGROUND & ASSESSMENT

FACT 1: The U.S. population is getting older. As documented in 2010 by the U.S. Census Bureau, and corresponding assessments by the CIA, the average age of the U.S. population is 37.8 years of age (*Source: CIA Fact Book*). A quarter of the United States current population is over the age of 55. By 2050, a third of the U.S. population will be over 55 and 20% will be over 65. The population over 80 will be the fastest growing segment of the population for the next 40 years. This situation is not unique to the United States – nearly 40% of the population of the developed world will be over 55 by 2050. Those are just the demographic statistics. Consider also that the 78 million Americans over 55 are the most consistently vocal group politically. These adults control approximately 70% of the country's disposable income and 75% of the financial assets. Their age cohort represents \$1 trillion in spending power. The vast majority of this population wants to stay in their current communities, in their current homes, as they get older. *Source: http://www.institutefortheages.org/facts-on-aging/*

COMMENTARY: However, even though the U.S. population is getting older, and the older population controls most of the wealth, rollerskating rinks continue to focus on children as their primary audience and revenue source. The current rollerskating "business model" exists as an anachronism to contemporary business acumen.

FACT 2: People are not having as many children, and the traditional family structure no longer exists. The total fertility rate in the U.S., estimated for 2013 at only 1.87 children per woman, is below the replacement fertility rate of approximately 2.1 (Source: Wikipedia); and as reported by the U.S. Census, the size of the average U.S. household has dropped from 3.33 in 1960 to 2.54 in 2015, and typically headed by a single parent as head of the household. Conversely, the number of people over 65 in the workforce is projected to increase more than 80 percent in the next 10 years, and not just because of the aging of baby boomers - more older adults are choosing to keep working or return to work. Source: http://www.institutefortheages.org/facts-on-aging/

COMMENTARY: However, even though the U.S. population is getting older, and older adults will remain the most active demographic, the primary audience for rollerskating rinks continues to be children, teenagers and young adults (18 to 21 years of age) who are prone to be rambunctious, destroy rink property, and require security or law enforcement. Rinks continue to go out of business with this antiguated business model.

San Jose Roller Skating Rink Slated To Close, Marking End Of An Era http://sanfrancisco.cbslocal.com/2014/04/02/san-jose-roller-skating-rink-slated-to-close-marking-end-of-an-era/

Milpitas Roller Skating Rink Closing After 34 Years http://sanfrancisco.cbslocal.com/2011/07/29/milpitas-roller-skating-rink-closing-after-34-years/

Hillsboro Skate World to close in June after 33 years of business http://www.oregonlive.com/hillsboro/index.ssf/2014/04/hillsboro_skate_world_to_close.html

Empire Roller Rink Closing Its Doors After 60 Years http://www.ny1.com/content/news/67453/empire-roller-rink-closing-its-doors/

Nebraska Rollerskating Rink Closings

Skateland – Alliance, NE	Closed
Skateland Entertainment – Chadron, NE	Closed
Skate City – Fremont, NE	Closed
Skateland – Omaha, NE	Closed
Skateland #3 – Omaha, NE	Closed
Skateland #3 – Omaha, NE	Closed
SkateDaze – Omaha, NE	Closed

COMMENTARY: Based on current population trends and related demographics, it's inevitable even more rollerskating rinks will cease operations, because the roller skating industry is not creating a demand for its product that's consistent with the change in population demographics.

FACT 3: For a roller rink to be successful, it requires a major resource - people. Usually a facility will need at least 30,000 people living within a ten-(10) mile radius for it to be successful. Communities with less than 100.000 people usually need no more than one skating center. Source: http://www.roller-rink.com/nr shouldBuild.htm. As reported by the U.S. Census, Omaha's 2013 population was 434,353. With only one public rollerskating rink in Omaha, the city is clearly underserved.

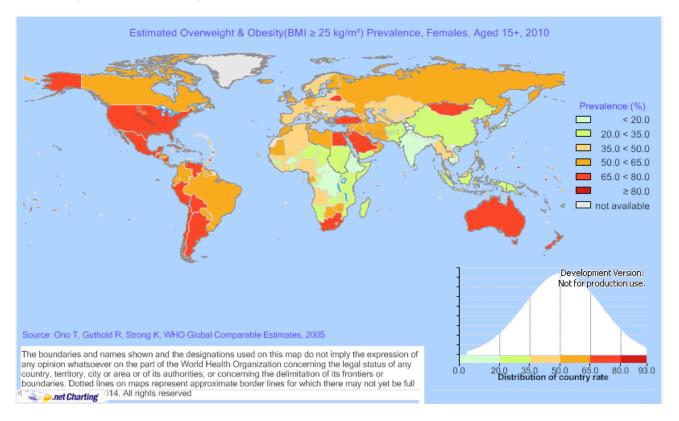
COMMENTARY: Omaha's only public rollerskating rink, SkateDaze, temporarily served as the home for the Omaha Roller Girls (ORG - http://www.omaharollergirls.org), an adult women's roller derby skating league; but SkateDaze failed to market, capture, and build on this audience, which resulted in the ORG contracting their events to a non-roller skating rink facility (Mid-America Center in Council Bluff, IA) that was both larger and held more expertise in events management for adults. In its heyday (prior to 1983), SkateDaze was one of seven metro Omaha roller skating rinks owned and operated by the Cernik family.

Unfortunately, SkateDaze is the only surviving Cernik rink in metro Omaha. SkateDaze was eventually remodeled to include laser tag, bumper cars, roller coaster, rock wall climb, and '70's arcade games and re-branded to function less as a rollerskating rink and more as a so-called "family entertainment center." Unfortunately, the traditional "family unit" no longer exists due to chronically high levels of divorce and the birth of fewer children, which reconciles with a fertility rate: *"Marriage rates have fallen for all groups since the 1960s, but more sharply for blacks than for whites. In 1960, 74% of white adults were married, as were 61% of black adults. By 2011, the black marriage rate had fallen to 56% that of the white rate: 55% of whites were married, compared with 31% of blacks." Source: Pew Research at http://www.pewsocialtrends.org/2013/08/22/race-demographics/*

Conversely, suburban Bellevue, Nebraska, which also caters to citizens of metro Omaha, has a population of 53,663 and one rollerskating rink. American Motors, Montgomery Ward, Oldsmobile, Braniff Airlines and many other companies went out of business because they failed to take heed to Albert Einstein, who said it so clearly, "Insanity: Doing the same thing over and over again and expecting different results."



FACT 4: The majority of adult U.S. citizens are either overweight or obese. As of 2012, the rates of overweight or obesity are higher for Hispanic men (81.7 percent) compared to Black men (69.9 percent) and White men (74.0 percent), although obesity rates are fairly similar across racial-ethnic groups. Likewise, 60% of all adult White women, 76% of all adult Latina women, and 82% of all adult Black women are either overweight or obese (*SOURCE: Food Research and Action Center, CDC*). Both public and private sector employers are concerned about the ongoing rise in the cost of health care, which primarily occurs as a direct result of the failure of employees, dependents, and retirees to improve their overall health and fitness. Looking at the bigger picture, only Liberia (at 19.50%) and Sierra Leone (at 18.80%) spend more of their GDP (Gross Domestic Products) on health care than the United States (at 17.90%); however, the prevalence of obesity in female adults in Liberia is only 13%, and only 16% in Sierra Leone, but 48% in the United States, which was ranked 12th highest in the world for obesity in 2010 by World Health Organization <u>http://kff.org/global-indicator/female-prevalence-of-obesity/</u>



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FACT 5: Rollerskating is good, clean and healthy fun. Rollerskating is unique because it provides a robust aerobic benefit but without the impact on joints of the human body from running, and it can be performed year-round indoors and outdoors when weather permits. Plus, as reported by the President's Council on Physical Fitness (https://www.presidentschallenge.org/tools-resources/docs/adultgetfit.pdf), unlike other physical activities, rollerskating is highly aerobic and builds muscle, it improves and maintains balance and other physical skills, and it provides positive social interaction without the alcohol and smoke-filled environment of many bars, clubs, and restaurants. Rollerskating is artistic, creative, and can involve all kinds of music and dancing, both individually and with two or more partners. Equally important, unlike competitive roller hockey, roller derby, football, or soccer rollerskating is relatively injury free.

COMMENTARY: However, even though the U.S. population is getting older, and the older population is and will remain the most financially vibrant demographic, nevertheless, rollerskating rink owners ridiculously continue to focus on children and teenagers as the primary revenue stream. This limited audience of people 18-years of age and younger have extremely limited revenue streams and no where nearly as many financial resources and leisure time as adults 25 to 55+ years of age or older. The current rollerskating "business model" exists as an anachronism to contemporary business acumen. As represented by the graph below, for rink owners, the RSAI does not propose any income resources anchored to vendors, sponsors, endorsements, business networking relationships and cross-marketing, or special events, which is, again, an anachronism to contemporary business acumen.

CURRENT INCOME RESOURCES Suggested by RSA International	%	PROPOSED INCOME RESOURCES Suggested by THE ARC	%
Admission	45	Vendors & Business Networking and cross-marketing	30
Skate Rental	20	General Admission	20
Snack Bar	14	Promotion / Advertising / Sponsorships	20
Pro Shop	10	Special Events	15
Games / Redemption	6	Club Membership & Apparel / Pro Shop	10
Miscellaneous	5	Miscellaneous	5

FACT 6: There is no coordinated effort to market to, develop, and sustain an audience of adult rollerskaters. The overwhelming majority of roller skating rinks either don't offer, or if offered, only attract small adult audiences. Equally important, the music provided at "adult sessions" is generally counterproductive to attracting and sustaining adult traffic. At rinks with routinely large adult audiences of 200 to 400 per session, these demographic are predominately Black and in urban settings (Detroit, St. Louis, Kansas City, Atlanta, New York, Orlando, Cleveland, etc.). Whether intentional or not, many rink owners engage in age-based discrimination against individuals between 25 and 55+ years of age. Conversely, the average age for a female runner in the U.S. is 39 years of age with 62% being married, and nearly 80% have a college education (Source: https://www.runningguru.com).

"Real adults" are not 18 to 21 year old kids working at fast food restaurants and perhaps attending college. Instead, "real adults" are people with adult "responsibilities," and who are actively sustaining and progressing in their careers; "real adults" are people with spouses, and families, and children who are nearly grown or with grandchildren; "real adults" are mature people who want absolutely nothing to do with or to be around children and adolescents and their related chaos and problems; "real adults" are people with debt and/or money in the bank, credit lines, and a great desire to have fun.

FACT 7: There is no coordinated effort to market to, develop, and sustain an audience of urban adult skaters, specifically, Black and Latino adult skaters and rink owners. As validated in the book, "Searching for Whitopia: An Improbable Journey to the Heart of White America (2009, Rich Benjamin)," unlike other "people" White people intentionally chose to live in neighborhoods with decidedly low minority representation, and the majority of White people will leave, typically called "White Flight" (<u>http://mappingdecline.lib.uiowa.edu/map/</u>) rather than interact with minorities. For the most part, White people are not as likely to "accept" minorities living or working in their neighborhoods; conversely, minorities are more likely to "accept" White people living in their neighborhoods.

Because of their large footprint, roller skating rinks are dependent on real-estate prices, and the real-estate bust of 2008 forced many newly-opened rinks to shutter. It's for this

reason that many new rinks are being built in suburban and rural regions where land is cheaper.

"You need at least 20,000 to 30,000 square feet for a roller skating rink," McMahon said. "It costs millions of dollars to just remodel a rink."

And it's not just the square footage of the rink itself: "You have to have at least 400 to 500 car parking spots for some of these rinks, and the average price is \$3 million to just buy the land," McMahon said. "In an area where land value is \$400,000 an acre, it's really tough for a roller skating rink to survive."

Jim McMahon, President, Roller Skating Association International The Atlantic, May 13, 2014

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Unfortunately, businesses have used the aforementioned rationale to abandon any kind of commitment to create businesses and jobs in urban areas. Conversely, in a spirit of gentrification, many businesses, civic leaders, and politicians have used this same rationale to push elected officials to re-zone urban areas with tax advantages to invigorate urban areas with new construction, new homes, new schools, and new businesses. **It's easy to make excuses.**

FACT 8: Black adults skate, and skate in great numbers. It's long been a common occurrence for Black adults in their 40s, 50s, 60s, and 70s to rollerskate in cities like Chicago, St. Louis, Detroit, Dallas, New York, Cleveland, Dayton, etc., and a formal/informal word-of-mouth national network for communicating these "roll call" events (such as http://www.skategroove.com/skatejamz.htm) has existed for over 40 years! However, the clear majority of rollerskating rinks are owned by White people, who in larger urban markets routinely schedule "Black" sessions particular to Black audiences, and this practice has been in existence for over 40 years. Back in the 1970s White-controlled media applied the term "roller disco" to dance-oriented skating styles common among Black rollerskaters for decades throughout the U.S. By the time White media caught up to this phenomenon, this "branding" was racist in nature, but consistent with the "branding" of cover-songs sung by Pat Boone as "pop" although they were originally "R&B" songs recorded by Little Richard. As validated by hundreds of videos on YouTube.com (https://youtu.be/B1hpEh lqCs), "adult" rollerskating is an uniquely Black phenomenon; *no other adult "ethnic group" of skater in such great numbers.* So, why doesn't the RSAI market to and develop this niche demographic?

Instead of developing this audience, many White rink owners consistently exploit this audience by charging more for rink rental and general admission, \$15.00 per person or more for "special events" at Black adult rollerskating sessions, than for any non-minority rollerskating sessions or events held at their facilities. Arguably, the higher prices are in anticipation of and/or as a result of damage, theft, or other crimes caused by Black "youth" at rollerskating rinks, but such is not the case with targeted mature audiences of 35 years of age and older; but again, rinks typically refuse to develop a truly adult audience. Whether intentional or not, rink owners engage in race-based discrimination against the consistently largest truly adult rollerskating audience in the U.S. – Black adults - by restricting access, and by exploiting this demographic financially.

CONCLUSION: Frankly, the "issue" should <u>not</u> be age and/or race discrimination, because the real challenge is to get rinks owners to abandon their antiquated business model. Instead, rink owners should strategically target adult customers 25 to 55+ years of age or older who, without regard to race:

- 1. wield more personal and vocational income and corresponding revenue streams;
- 2. wield more personal leisure time;
- 3. wield authority to execute contracts with rink owners to license their facilities;
- 4. wield authority to initiate original programming to improve the health and well-being of employees, dependents and retires;
- 5. wield authority to cross-market adult-oriented products, business services, and advertising in both horizontal and vertical media relation campaigns; and
- 6. wield the authority to network and create new strategic business relationships and revenue streams.

Is there a viable market and audience for "adult" rollerskating? Absolutely. Absolutely!

To promote adult rollerskating as a fitness event, why isn't there a "roller skating" component in the Crossfit™® national championship, or a "roller skating" component in the NBC television program, "American Ninja Warrior," or a "roller

skating" component in similar multi-fitness competitions. Even better, why doesn't RSAI develop, market, and broadcast (via television, cable, or stream online) its own multi-fitness competition? *Why not?*

Albert Einstein said it so clearly, "Insanity: Doing the same thing over and over again and expecting different results."

For receipt of a business plan that details how to: (1) launch a multimedia campaign to strategically target and develop roller skating for adult audiences 25 to 55+ years of age; and (2) how to create original revenue streams anchored to a robust demographic of adult-oriented vendors, sponsors, endorsements, business networking relationships, cross-marketing, media relations (print, broadcast, and social media), and special events; please contact:

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