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Inflatable play business expands in local market

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Ever since Ronald McDonald and Chuck E. Cheese began to jazz up children's birthday parties, parents have been looking for more novel and entertaining ways to stage celebrations.

A few locally owned businesses established the popularity of indoor inflatable party centers over the past year, and now national players in the emerging industry are looking at Indiana.

Pump It Up, the nation's largest franchised operator of interactive, indoor inflatable playgrounds, opened its first location here last month in the Ameriplex- Indianapolis business park. And the company has plans for more.

"At this point, we believe the market could support at least four locations in the Indianapolis area, maybe more as we learn more about the marketplace," said Gordon Keil, chief executive of California-based Pump It Up.

As the inflatable playland concept becomes more established, the financial stake is growing, too.

The entrepreneurs who launched Pump It Up in 2000 have been bought out by investment funds, which hired Keil in 2006 to manage the growth. He is a former senior manager with Party City and Huntington Learning Centers.

With 170 locations nationwide, Pump It Up had revenues of about \$70 million last year and last month bought leading rival BounceU and its 40 locations.

Keil said the two chains have another 120 franchises sold. Nationwide, he sees potential for 450 inflatable party centers.

"The family party and entertainment industry is billions of dollars a year, but it's fragmented," he said. "Our competition is anybody who can provide a venue for parties, from Chuck E Cheese to (municipal) parks. Our advantage is that we're private."

And they're still novel in this area.

Ameriplex park developer John T. Phair, president of Holladay Properties, was showing a group of bankers around the 1,500-acre industrial park off Decatur Boulevard last week and was anxious to give them a peek inside Pump It Up.

"One of the things that makes Ameriplex different from most other (office and distribution) parks is that we also have some exciting, entertaining and colorful businesses like Pump It Up," Phair said.

Sisters Aleta Osborn and Kim Weeden- Cowan got financial backing from their father, Ronald Weeden, to open the Pump It Up on the Southwestside.

Such franchises are no small business to finance, according to industry experts, who said the price tag ranges from \$200,000 to nearly \$1 million, depending on the building costs and the number of

inflatable structures.

The sisters leased about 16,500 square feet of space with ceilings nearly 30 feet high to hold six giant air-filled games, plus a 20-foot-tall climbing wall.

Weeden-Cowan said their sales territory covers western Marion County and parts of Hendricks and Morgan counties -- covering about 70,000 children.

Inside, Pump It Up is a riot of colors. Floor tiles running down long hallways are a dizzying checkerboard of red, yellow, green and blue. Carpeted floors are purple. It's all designed to tell the young party animals they're at a place for fun.

And after the youngsters are exhausted from bouncing, sliding, crawling and climbing, there are private party rooms for pizza, presents and an inflatable throne for the honored birthday guest.

The business has 11 employees, including event planners and aides.

Parties last from 90 minutes to two hours. Costs vary from \$165 to nearly \$400, depending on extra services, food, goodie bags and the number of guests.

While games in the current facility are attractive to school-age children, Osborn and Weeden-Cowan said they have room to expand to serve toddlers.

"Most of our bookings are for groups of children, but we expect to get teenagers and adults for parties, too. And we're looking at businesses for corporate team building events," Osborn said.

Pump It Up's concept is flexible and has been used for wedding receptions, family reunions and other events, Keil said.

"It was great fun and very private, a great facility," said Tony Freije, owner of Patora jewelers on West 86th Street. He took daughters Alyssa, 11, and Lindsay, 9, and their Southport Racers girls' softball team to Pump It Up to celebrate their championship season.

"The girls raced us up the climbing wall, and it was pretty hard on the old coaches," he joked, "but it was all in good fun. We had a great time, and we had pizza and trophies. It was a good way to wrap up the season."
