

Pizazz-filled pizza parlors rewriting recipe for success

by Pete Nenna

Picture yourself in a restaurant that features a cacopbony of screaming children, the bezzing and bleeping of aliens being zapped in dozens of video games and the singing of an animated rat or mechanical bear

Maddening for some it was a gold mine of an idea for the owners of Chuck E. Cheese's Puzza Time Theatre and Showbiz Puzza Place two of the largest chains of restaurants daugned to provide a night of food and

entertainment for young families An innovation in the restaurant industry, they became bot stoms. Seemingly overmight, they attracted the attention of children and investors to become

darings of the stock market - until the chill set in Falling earnings and stock prices slowed expansion leaving Pizza Time Theatres reorganizing under Chapter 11 of the federal bankruptcy law and Showbiz

Pizza trying to reverse its own downward slide
AT THE ROOT of the problem the critics charged
was oversaturation unsatisfactory food, high prices and
a lack of things to hold the parents' interest — all of which had combined to drive away customers

Although both corporations have been sent reeling by the downturns, each claims to be smothering the problems The pizza they say has been improved to make it more palatable to adult tastes and the entertainment contains more music from the '60s to appeal to parents of the baby-boom era

The hope is that the changes will bring back contomers, and an doing so show a skeptical public that the party isn't over for theme restaurants

We think there will continue to be a demand at long president for investor relations with the Brock Hotel Corp owners of Showbez Pizza "There's nothing quite

That was the notion in 1977 when Pizza Time Theatres was unveiled by Atari founder Nolan Bushnell in San Jose Calif Bushnell later purchased the restaurant's rights and assets and resigned from Atari to become Pizza Time Theatres full-time chairman of

FEATURING A SMILING robot rodept named Chuck E Cheese Porra Time Theatres was inspired by Farrell's Ice Cream Parlors and a Caldornia restaurant

food and entertainment for young families — a market that had been largely untapped in previous years.

Three years later hotel magnate Robert Brock abandoned plans to become a Puzza Time franchisee and started his own family restaurant. The first Showbiz Priza Place in Kansas City, Mo., featured a mechanical banjo-playing bear named Billy Bob

shows a video game room birthday parties and pizza as the specialty of the house. To foster the family atmosphere and prevent the restaurants from becoming teen hangouts, each company adopted a rule barring children under the age of 18 from entering without an

Pizza Time Theatres went from 25 restaurants in 1980 to 266 in 36 states and three foreign countries by 1983 - about half of which are franchises Showbiz

restaurants are operating

small irotators and oversaturated many markets

Customer traffic counts and earnings started shrinking, forcing many small firms to throw in the

Basically the stocks went south when the carnings went south—said Michael Culp—vice president and sensor restaurant analyst for Prindential-Bache in New

of the restaurant industry in which he traced the progress of 40 stocks more their 1983 peak prices. He found that Showbiz and Pieza Time were among the

The report, be said, showed that Family Entertainment Centers a franchisee for Priza Time.

pezza and rapid growth of the chains that led to a canmbalization of each other The video game novelty also wore off with the advent of home game

Norse expensive prices and a lack of diversions for adults also helped reduce the number of families that returned to the restaurants for a second visit

The result was snowballing success

grew to 133 company owned and 48 franchise owned outlets across the United States during the same period

THE EXPANSION INCLUDED the Chicago area where eight Showbiz Pizza and two Pizza Time Theatre

But to 1983 a dark cloud appeared over the theme restaurant business which had attracted a handful of

towel and holding down stock prices at Pizza Time and Showbez stock market analysts said

Celp said he recently completed an overview report

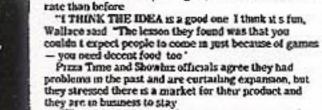
saw its slock slip to \$1 from its 1983 peak of \$13 Pizza Time dropped to \$5 per share a tail from a high of \$27, \$11 to \$7 per share

THE MAIN VILLAINS, Culp said were poor-quality cartridges, he said

'The fact that people can find video games in hotels aurport terminals, harbershops virtually anywhere, has reduced the incentive for people to go to Pixin Time or

Showbiz Pizza Place. From left, John Moser, 10, Ken Nichonski, 11, and Chris Egan, 10, all of Barrington, munch pizza at a Pizza Time party. Right, Jim Hatlak fine-tunes an animated character at





When you start a new idea - entering a new niche of the food industry — you want to grab as much as you can as fast as you can You're bound to make mistakes said Jon Porter communications manager

when the chains do expand again, it will be at a slower

with Pizza Time Theatres Company officials say a perception that the food was of poor quality, an oversaturation and a difficult marketing problem - adults being dragged to the rest surget by their children - caused a rough ride

After suffering a nearly \$6 million loss through the first three quarters of 1983, the defect ballooned to a projected \$16 million during the fourth quarter alone forcing Przza Time Theatres to take refuge under

Chapter 11 s protection In addition 18 Pizza Time stores closed in 1983 and another 19 shut down in February Founder Bushnell resigned as chairman chief executive officer and director on Jan 31, officials said

BUT THE COMPANY has spent the past year opgrading the pizza so parents will like it more and revening the video technology robotics and music

We want to be a restaurant where adults know they can take the ta y and it will be rea inexpensive and they can get good food ' he said Mike Banney, Pizza Time's director of communications said the company also has closed one

division, is negotiating to sell another and is closing stores to concentrate solely on the restaurant business We have 131 company-owned stores in place. We vegot the machine there - what we ve got to do is get if

to run better," Ranney said Company officials and franchisees - including Little Caesar's Restaurants which owns Pixza Time restaurants in Hollman Estates and Chicago - stressed that not all stores are having problems

Lisa flitch director of marketing and public relations for Little Caesar's, said the franchisee produces better przza and entertainment than the corporation, which has kept profits and customer counts at a steady level in recent years. She added that the Chicago stores are consistently rated among the top 15 Pizza Time

WE'RE DOING WELL without the corporation and I think one of the important reasons why is because



Entertainment is also an attraction. For Liz Halat, teft, and Kelly Bein, that includes romping in a pit of plastic balls.

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(The Sunday Herald - April, 1984)

Date of Origin: 1984
Archived: 4-24-08
Submission by Darryl H.
Version 1.0

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