

Taking The Lead

Schumacker & Company

The Journal of Bowling Operations

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Bite-Sized SpareZ “SELLING”

INTRODUCTION

Bowling centers have a level of business that is naturally provided by the general environment. At times the environment can be kind, providing strong business volume. At other times the environment can be cruel, providing little volume.

Leaving the success of the business to be dependent on the generosity of the environment is highly risky. Bowling businesses work to reduce this risk by complementing the ups and downs of Environmental Business with Driven Business.

Driven Business refers to the amount of business activity generated through the efforts of the staff. Driven Business would not exist if the staff did not sell. Driven business has four components:

- ✓ In-Center Selling
- ✓ Contact Selling
- ✓ Outside-In Selling
- ✓ In-Community Selling

In-Center Selling is the operations-based effort to generate additional revenue from direct sales of bowling products along with ancillary and comple-

mentary products. In-Center Selling is more of a standard characteristic within a SpareZ business rather than the assigned responsibility of departments or individual staff members. Simply put, it is the sales taking place during the normal course of operating the business.

Contact Selling is a direct selling effort initiated by customers making contact with SpareZ by way of a visit to the website or a

telephone call. Contact Selling is the assigned accountability of the Events Sales staff.

The Outside-In Selling Method is a product of a sales and training development company, **Trainer-tainment™**. This method uses e-mail and telephone contact to reach the decision-makers of groups and organizations to influence where they will conduct their next meeting, presentation or team building

event. Outside-In Selling is the designated role of the Sales Manager (Coordinator).

In-Community Selling is the process by which we reach out to the communities served by SpareZ to book events and generate more awareness of SpareZ. In-Community Selling is a direct selling effort with mutual accountability assigned to Community Selling Representatives, the Sales Manager (Coordinator) and the General Manager.

“There is not a single aspect of SpareZ that is not impacted by our ability to sell.”

ADVERTISING AND PROMOTIONAL SUPPORT

The sales efforts are supported by advertising and promotion. Advertising exposes SpareZ and/or specific SpareZ products to the general public through the strategic use of media. Advertising may be in the form of print, radio, TV, internet, or physical displays placed in and outside the business.

Promotion involves the effort of the staff within the facility to create an awareness of SpareZ products. Promotion has two components; Active Promotion and Passive Promotion. Active Promotion requires the effort on the part of staff members to directly make a customer or visitor aware of SpareZ products.

Passive Promotion uses the static display of posters, fliers, banners, table tents and electronic messages on scorer monitors and other displays. Additionally, an

audio message, either live or taped, presented over the PA system is a Passive Promotion.

All advertising and promotion occurs prior to a sale. Advertising and Promotional campaigns are cycle-based. The proper execution of an advertising or promotional campaign is the responsibility of the SpareZ General Manager. The planning and development of the campaign and support materials is the function of the SpareZ, Inc. staff with the support of outside professionals on an as-needed basis.

SELLING

Selling in the SpareZ Model is the process of obtaining a firm commitment to purchase a SpareZ product. How to earn a firm commitment from a potential customer differs depending on the product segment.

¹ Outside-In Sales Method is a product of Trainertainment™, Inc.

Entertainment Events – A firm commitment is considered to be achieved when a deposit for the event is submitted.

Casual Play – A firm commitment is considered received when a pre-paid reservation is made or a lane is issued to a customer.

Recreationally Competitive – The independently confirmed intent to

participate in an upcoming competitive cycle after receiving the initial statement of intent is taken as a sign of commitment.

Purely Competitive – A firm commitment is received when payment of the entry fee or a required deposit against the entry fee confirms commitment.

Selling connects potential customers to SpareZ. It is a vital link in the

process of operating a SpareZ business. An effective selling process greatly reduces the risk of experiencing an inadequate generation of revenue. The process of selling stabilizes the business, allowing it to be consistently successful.

IN-COMMUNITY SELLING

In-Community Selling is the process of reaching out into the communities served by SpareZ to book events and generate a greater awareness of SpareZ's offerings. In-Community Selling is a direct selling effort with mutual accountability assigned to Community Selling Representatives, the Sales Manager (Coordinator) and the General Manager.

The In-Community selling effort is based on the needs of the business as outlined in the cycle program. Specific selling campaigns are developed using the SpareZ, 'Map the Business' and 'Map the Market' tools. The selling performance of the In-Community Selling team is measured against specific campaign targets.

In-Community Selling is the process of generating future bowling activity. The efforts of this team typically look forward one to two cycles. The long term nature of this process requires a well planned and disciplined selling effort. In order to

make effective use of the team, the assigned lane inventory needs to be substantial and priced so as to provide a reasonable return to the business.

The typical process is for the full team to meet to discuss the upcoming two cycles (eight months). The 'Map the Business' and 'Map the Market' tools are used to identify the focus of upcoming campaigns. Agreement is achieved on the timeline and volume targets for specific campaigns for each of the upcoming cycles. Prior to the beginning of a campaign, support materials are produced. A campaign plan is developed, including lists of specific targets for contact. Active selling begins at the appropriate date and continues according to the schedule until the campaign ends. The end of the campaign comes either with the over-selling of the targeted volume or with the end of the timeline established in the plan.

Compensation for the team is a combination of wages and incentives. Incentives are paid after the

event has been conducted and full payment has been received.

A SpareZ business is a part of the communities it serves. The business reaches out in an effort to become closer to the community. Involvement in the community includes supporting community events and participating in community-based groups, such as the Chamber of Commerce. All community-based efforts are undertaken with the intent of providing a contribution to the community while simultaneously improving/enhancing the success of the operation of the business.

The marketplace for bowling has changed in the five decades since suburban America burst onto the scene. Bowling has shifted from being league (competitive) dominant to being dominated by the demand for entertainment and a casual atmosphere. Twenty years ago, competitive bowling provided the typical bowling center with approximately 65% of its total bowling activity. To-

Discounting as a Sales Strategy

The desire to discount is an indication of weak selling skills. A strong sales person looks to build enhancements into an event to increase the enjoyment the group will have with an event while growing the revenue received by the business. Discounting is the cost of having sales efforts which are not strong enough to sell the targeted program at the program price. The cost of improving sales skills is paid back over a large number of selling experiences. The cost of discounting will go on, at the detriment of the business, until sales skills are enhanced.

day, the typical bowling center generates approximately 55% of its total bowling activity from entertainment and casual bowling (EC), the shift in product mix is important to understand the contemporary bowling business. The EC bowling customer is a less frequent visitor to the business. There is a greater need for contemporary facilities and the service level must be at least at the level of alternative entertainment options. Additionally, the EC customer is generally less price-sensitive than his

¹ Note that the pricing strategies vary based on the demographics of individual trade areas.

² A business would be considered to be EC Dependent if more than 80% of its volume came from EC Segments and would be considered EC Exclusive at 95%.

³ Refer to SpareZ Core Bowling Model for further explanation.

competitive-bowling counterpart. The dominance of the EC bowling products is expected to continue for an extended period of time.

While it is important for bowling operators to continue to build EC business, it is also important for the operator to achieve growth in the competitive product segments. The SpareZ business model is designed to maintain a ratio of EC to competitive business of 70% to 30% while increasing the total number of paid games bowled and the average price per game.

The SpareZ business model is based on three fundamental concepts: the Spectrum of Bowling Products, the Core Bowling Model and SpareZ Customer Service.

The Spectrum of Bowling Products consists of the four main product segments; Entertainment, Casual, Recreationally Competitive and Purely Competitive. The challenge is to develop, sell and create high-quality bowling experi-

ences for each product segment. Figures 1 and 2 provide a description of the bowling product segments and a breakdown of the valued experience characteristics for each product segment.

Common to all Segments

- A facility which is contemporary in appearance and function
- A safe on-premise environment
- A smoke-free environment
- Friendly, engaged Staff
- Fully functional equipment

Entertainment

- Ease of making reservations and/or booking an event
- The ability to add-on to the typical bowling experience
- Assistance in facilitating the event

Casual

- Knowledge of lane availability
- Ability to make a reservation
- A quality bowling environment

Recreational Competitive

- The structure of competition
- Recognition
- The total cost of the experience
- Scoring conditions

Purely Competitive

- The structure of competition
- Scoring conditions
- The total cost of the experience

SpareZ marketing and operating methods address each characteristic in a manner intended to create competitive advantages over competitors.

The Core Bowling Model establishes the primacy of bowling within an operating business. Bowling experiences are the engine that drives a SpareZ business. The SpareZ business model can be separated into four distinct segments: the development and sale of bowling experiences, the creation of bowling experiences to individual customers, support for bowling experiences, and the administration of the business.

The EC dominant bowling business requires much stronger marketing and sales functions than the league dominant model. Today's business requires significantly more people to flow through a center to be successful than did the league dominant model. The design of bowling products and the ability of the center staff to sell bowling is a vital characteristic of the operation of a successful bowling business.

The SpareZ model uses

two related tools to focus efforts on building traffic. The 'Map the Business' tool provides a day part by listing the highest and best use of the business unit's inventory of lanes. 'The Map the Market' tool matches selling opportunities to the specific bowling products listed in the 'Map the Business' tool. Taken together, the tools provide a roadmap for selling bowling experiences in the SpareZ model.

Selling efforts occur within the facility using active and passive promotion along with operational selling and league format operation. Active promotion involves the engagement of staff directly with customers to stimulate interest in the future purchase of specific bowling products. Passive promotion includes the whole package of banners, posters and audio/visual messaging used to present a message to customers in the center. Operational selling is the sales component embedded in the transaction and experience creation functions of business operations. League format operation is the selling effort directed toward the retention of league bowlers from one season to the next. Selling efforts outside of the center include direct, targeted selling campaigns, networking efforts and community support efforts. Direct, targeted selling campaigns utilize the 'Map the Business' and 'Map the Market' tools to focus selling efforts on the specific needs of the business. As an example, a primary product offered by

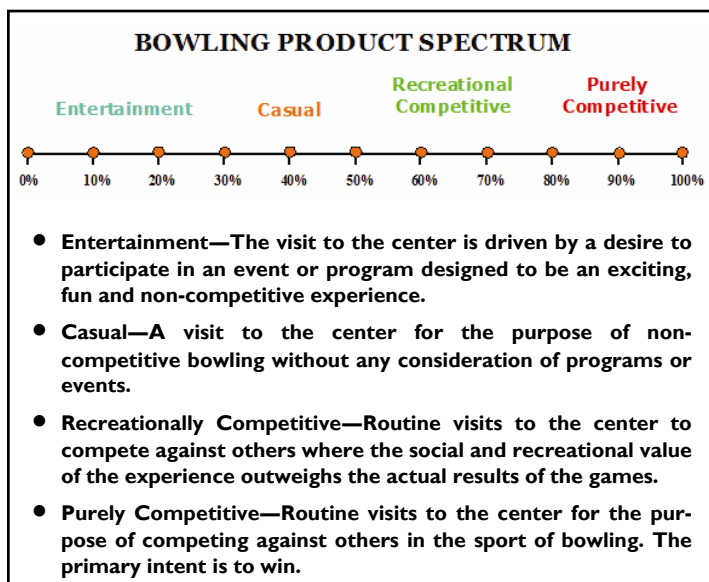


Figure 1 Bowling Product Spectrum

SpareZ during Cycle 2 (May through August) is youth summer camps. A sales campaign designed to maximize the use of this product is conducted during Cycle 1 (January through April). The business unit selling team works the market to sell summer camp products to fill all targeted day parts.

Networking efforts support the community-based selling function. Each SpareZ business unit is an active member of appropriate business groups, which subsequently provide networking opportunities. The ability to host networking events is a significant advantage of the efforts to sell through networking.

SpareZ supports the communities it serves by actively participating in community events. Presenting the SpareZ message to the greater community connects SpareZ in a positive manner to the communities it serves. Participation in holiday events, community days and like-kind civic promotions leaves a positive impression on the general public and event organizers.

The purpose of the marketing and selling efforts of SpareZ is to create an exceptionally strong flow of new customers through the business. The primary means of retaining customers is the effort to create bowling experiences for individual customers. The

typical bowling center allows people to bowl. Once the initial transaction places a customer on a lane, the staff typically takes a reactionary role, responding to problems or issues that arise over the course of the visit to the center. SpareZ seeks to join the customer in the creation of the ex-

perience. The means for doing so include an active 'Coach It Up' program; a food and beverage service, which is integrated into the bowling experience; on-lane bowling transactions; and one tab billing. SpareZ looks for the opportunity to employ technology to bring the customer and staff closer together in the process of creating a bowling experience. The motivation for making the staff/customer connection is to gain an emotional commitment on the part of both the staff member and the customer. The experience shows to the staff member that their efforts are a vital part of creating the SpareZ experience. The customer recognizes that they are receiving a high level of service and is not simply an anonymous body being

moved through a process. The result is a satisfied customer willing to return for an additional visit. SpareZ customer service consists of two segments: staff service and facility service. Staff service occurs when a staff member has direct personal contact with a customer. Un-

derlying the personal contact a staff member has with a customer is the quality, convenience, and comfort of the facility during the customer's visit. Experience characteristics such as perceived safety, comfort with the temperature, bowling conditions, equipment operation and cleanliness of the facility all contribute to the service received by the customer. All are also primarily created without direct contact between the customer and staff. As an example, when a mechanic fails to follow established preventive maintenance programs, the bowling machines begin to have numerous breakdowns. Breakdowns create a negative experience for the customer. The mechanic's action or the lack of proper action created the

bad experience for the customer, although they most likely were not even in the building at the same time. Concentration on both facility service and staff service improves the quality of the bowling experience. The administration of a SpareZ business is the result of the combined efforts of S&C staff and the administrative and management staff of the SpareZ business. The administrative function has two primary goals. The first is to achieve full compliance with all laws and regulations applicable to each business. The second is to conduct the business with complete integrity relative to the collection and reporting of receipts, the disbursement of payments and management of staff. The achievement of these goals provides a platform on which the SpareZ business is built.

The SpareZ business model provides its customers with high quality entertainment, recreation and sport experiences. The result is the opportunity for SpareZ to be the best-in class bowling operating company.

Selling all of the Time
Bowling is a facility-based service business. A customer typically leaves the center with only the memory of his experience. As a community-based business, the pool of potential customers is limited. A positive experience creates a desire to return for another bowling-based experience; a negative experience kills the desire for future visits. Additionally, past customers will become either advocates for the center or detractors to the center. A satisfied customer will spread positive word-of-mouth advertising for the center. A dissatisfied customer will make sure that others within their personal network are aware of their dissatisfaction with SpareZ bowling. Creating the actual experience of bowling may be referred to as Operations but it is, in fact, the highest form of Selling.

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Schumacker & Company • 4380 Oakes Road, Suite 802 • Davie, Florida 33314 • 954-846-8400

Joe Schumacker, CEO/President