

# Taking The Lead

## The Three Generation Model

Schumacker & Company

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Bowling has a long history as a commercial and recreational activity. The era of commercial bowling had three distinct generations. The first generation (Gen1) occurred prior to the end of World War II. Gen2 began after the end of WWII and is often considered the Golden Age of League

Bowling. The current generation (Gen3) is evidenced by the shift of bowling from being League (Competitive) dominant to being Entertainment/Casual dominant. The business of bowling continues to expand into Gen3, creating new business opportunities in the process.

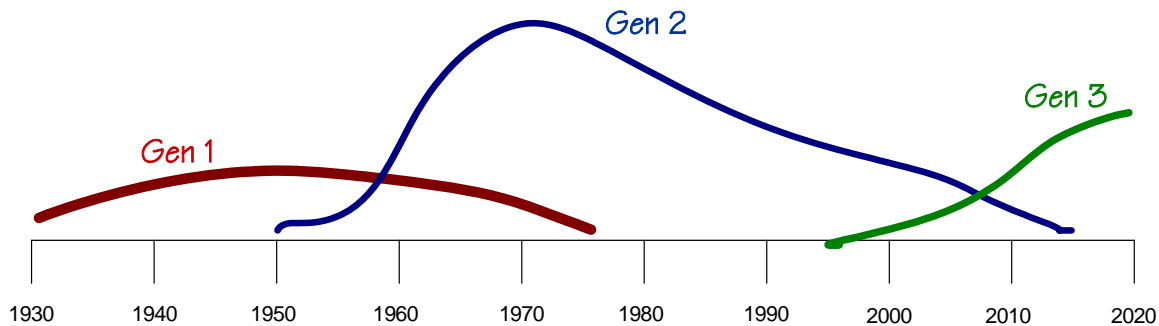


Figure 1—The Relevant History and Future of Bowling

### GEN1 - COMPLEMENTARY BOWLING

Gen1 bowling was typically a complement to the operation of an urban bar business. Bar owners used bowling as a means of increasing both the length and frequency of visits by the mostly male patrons of the bar. The dark, dirty and smoky environment of an urban bar further contributed to the negative image of Gen1 bowling. The Gen1 bar-based bowling business was far from being a family-oriented business. Women visiting a Gen1 bowling business were a novelty and children were typically cautioned to stay away by concerned parents.

The technology of bowling in Gen1 was basic. The pinsetting equipment was a moving table, which was operated by a pin boy. The pin boy would clear deadwood, spot pins, and send the ball back after every delivery. Although pin boys typically only worked two lanes at a time, the process was very labor-intensive. Pin boys frequently did not show up to work and were not model staff members in terms of appearance or disposition. The process of bowling in Gen1 heavily contributed to the image of bowling being an unsavory activity that still persists, to some extent, today.

The city was seen as the center of American life through the end of World War II. Although the automobile was well established, America was not yet the mobile culture it would become. The urban center provided employment, manufacturing, retail and residential opportunities for the majority of Americans. The alternative to living in the city was a rural life without most of the then modern conveniences.

The urban bar owner was not motivated to im-

prove the bowling environment for his patrons. The fact that AMF introduced its pinsetter in 1946, while Brunswick had pinsetting equipment in development since the 1930's, did not prompt a move toward automating and upgrading the bowling experience. It would take the combination of technology and a cultural change for bowling to jump generations.

### GEN2 – THE GOLDEN AGE OF LEAGUE BOWLING

The 1950's was an amazing period of change in the United States. Post World War II America was a culture on the move. The economy was booming. People were looking for new experiences, ready to leave behind the confines of cities to seek the comfort and openness of the developing suburbs. The American mindset was also different. Having gone through the challenges of World War II, Americans had a strong sense of community. People wanted to belong to organizations; they sought the recognition gained by being a part of a recognized group; bowling became a major part of the suburbanization of America.

The suburbanization of America allowed for the marketplace disruption of the bowling business. A marketplace disruption occurs when the fundamental nature of a business is shifted. The product is presented and perceived by the public in a way significantly different from what was once considered traditional. Creating a marketplace disruption creates great business opportunities for those who see it early and have the ability to execute.

The first marketplace disruption for bowling occurred when the suburban bowling center became part of

the American culture. From the mid-1950's to well into the 1960's, new modern bowling centers sprung up in communities all over the United States. Compared to the urban bar-based bowling alleys, the new centers were clean, well lit, and family-friendly facilities, featuring the latest bowling equipment from either Brunswick or AMF. It is important to note that, although the technology had been available prior to the shift, the disruption could not occur until the culture was ready for the change.

The marketplace disruption created new business opportunities. In most cases, the new opportunities were only seen by new owners and not the existing owners of urban bowling alley bars; the bar owners did not make the move to the suburbs. They tended to hang on to their urban locations, each year serving a declining base of aging customers. The new customers in the suburbs were being served by new business owners, the bowling proprietors. The bowling operating business quickly became one of the best private business models available, and has proven to be one of the most enduring forms of a 'mom and pop' business. The key business strategy was to build league bowling. Proprietors knew their customers, and they tied the business tightly around the concept of competitive bowling. The base of league bowlers grew to over nine million by the early 1970's. Bowling was a league-dominant business back then and it was quite successful, enjoying predictable cash flows. The risk to the business came in the form of over-building. It was assumed that the league bowling engine would continue to hit on all cylinders; in many cases, bowling operating businesses became dependent on League Bowling to the exclusion of other product groups.

By 1973, however, American culture again began to shift. Americans were no longer eager to join a group simply to be a member. The Vietnam era had moved Americans away from a culture of community and into a culture of individual activity. New activities were created that demanded time and attention. Fewer people were willing to make the commitment needed to become league bowlers. Over time, the number of new league bowlers did not cover the bowlers who left the sport, beginning a long period of attrition of league bowlers.

It is a testament to the strength of the league driven bowling business that the slide out of Gen2 progressed so slowly. Unfortunately, the slow decline of league bowling created a two-fold problem. At first, it was felt that, with more hard work, the trend could be turned around. The second problem came when the feeling changed to one of

believing that the decline was inevitable. The reality was that the weakening of the traditional league base had positioned bowling for the beginning of its third generation.

### Gen3 – Entertainment/Casual Dominance

The move from Gen1 to Gen2 was a marketplace disruption driven by cultural change and supported by bowling machine technology. The shift from Gen2 to Gen3 is no less of a marketplace disruption. The technological underpinning for the new marketplace disruption is the business information system that saw its introduction in the automatic scoring system in the mid-1980s. The cultural shift needed to energize this disruption was the creation of the experience economy. Americans today seek out varied experiences, they want to be entertained. They are not as frequent of a customer as the Gen2 league bowler, but they do enjoy both entertainment and recreationally competitive bowling. The need for a broader customer base has created the need for more diverse bowling-based products. The need to drive a much larger number of people into the business and the developing ability to use information system based marketing strategies have presented the opportunity to create a bowling business, which is both experience-based and marketing-driven.

The shift from Gen2 to Gen3 has generated several new models for bowling-based businesses. It is interesting to note that the first model returns bowling to its Gen1 role of being a complement to another core activity, the providing of food and drinks. Currently, two companies are leaders in this category: Lucky Strikes uses bowling as a complement to a bar business, while Incredible Pizza uses bowling as a complement to a family restaurant. The second model 'New Twos' ignores the changes in the marketplace and attempts to create a new edition of the traditional bowling center. In the third model, Core Bowling, Leisure accepts that bowling is the driver of the business, but only seeks to serve entertainment and casual customers, avoiding all bowling products targeting competitive bowlers. The fourth model is the Family Entertainment Center (FEC). An FEC typically has a large bowling piece, but also seeks to drive destination traffic to other profit centers. The final model is the Gen3 bowling business. Gen3 is the basis for the SpareZ and Splitz models. SpareZ and Splitz are core bowling concepts, which provide a full spectrum of bowling products. The most important product in both a SpareZ and Splitz business is the experience of bowling.



*"Some of the horses bred for greatness failed because they just did not have the character it took to win. On the other hand, some of the most honored horses who ever raced looked at first like they might not make it around the track. Seabiscuit, Seattle Slew, Smarty Jones; none of them was the best looking or the biggest at the starting gate. It didn't matter. They all had those qualities of persistence and tenacity that made them winners. Whatever was missing from their physical makeup, they make up for in sheer will."*

*Kent Desormeaux, the youngest jockey to win 3,000 races*

<sup>1</sup> See "The Core Bowling Model" for a definition of the four segments of the Bowling Product Spectrum.

<sup>2</sup> At the peak of Gen2, the concept of Entertainment bowling had not yet been developed. The only operating segments were Casual, League (Competitive) and Tournament (Competitive).

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