

# Bowling's Paradox of Two Worlds

*Shift Continues Toward Casual Player and "Entertainment Centers"; Game Rooms Can Generate 25% of Revenues in "New World" Mix*



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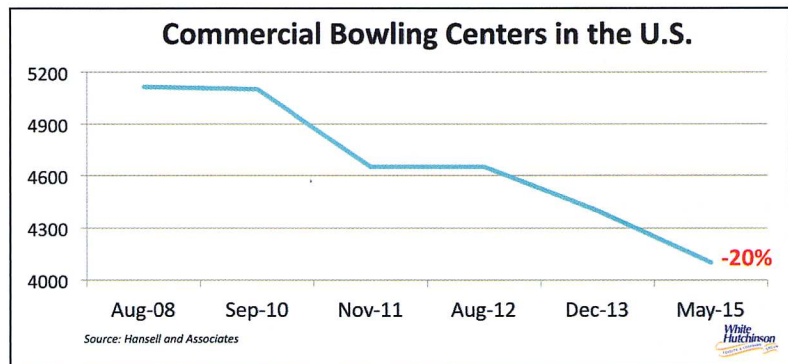
The White Hutchinson Leisure & Learning Group is a multi-disciplinary firm specializing in feasibility, concept and brand development, design and consulting for entertainment facilities. Over the past 26 years, the company has worked for over 500 clients in 32 countries, and won 16 first-place design awards. It publishes an occasional *Leisure eNewsletter* and Tweets (@whitehutchinson); Randy blogs. He is also a founder, co-regent and presenter at Foundations Entertainment University, now in its 13th year. Randy can be reached at 816/931-1040, ext. 100, or via the company's website at [www.whitehutchinson.com](http://www.whitehutchinson.com).  
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**O**ur company first began providing consulting and design services for the location-based leisure industry 26 years ago with bowling. Back then, bowling was an industry and predominately a sport, at least in terms of bowling alley revenues. Bowling leagues accounted for around 70% or more of revenues and the casual bowler was only considered a secondary market when the lanes couldn't be filled with league players.

In those days, people would sign up to bowl in a league at some regular time every week, say Friday at 5 p.m., for 30 to 35 weeks. (It was sure a different world. Can you imagine people committing to that today with our changed lifestyles? It's hard enough to get someone to just commit to show up next week!)

Leagues have been declining in popularity since the late 1970s. Back in its peak during the 1978-1979-league season, there were over 9.8 million certified league bowlers (men, women and kids). Recent declines are from 2.4 million in the 2007-2008 season to 1.5 million in the 2013-2014 season. Certified and non-certified league bowlers now represent less than 15% of all bowlers.

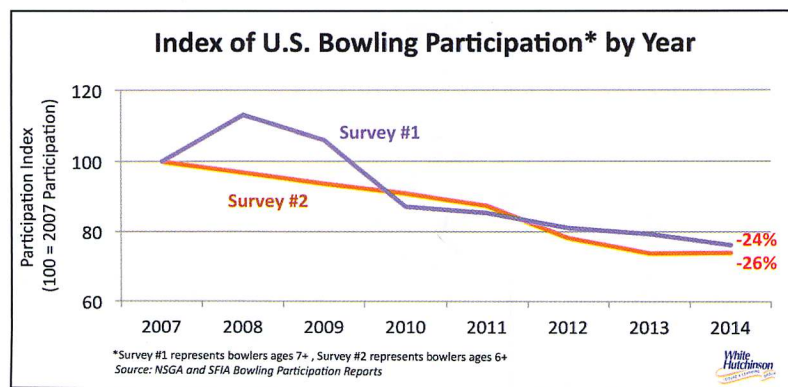
Bowling alleys were designed for league bowlers.



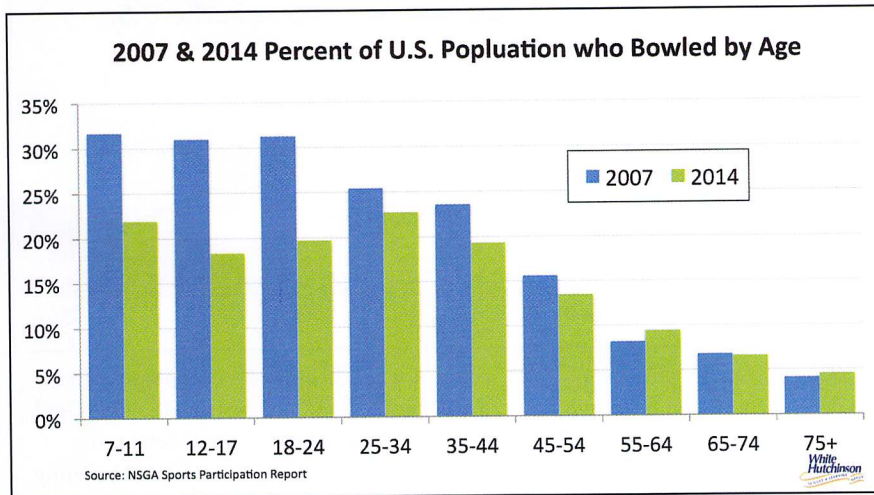
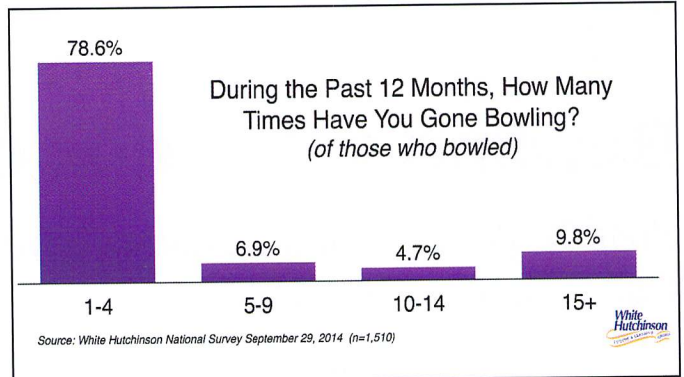
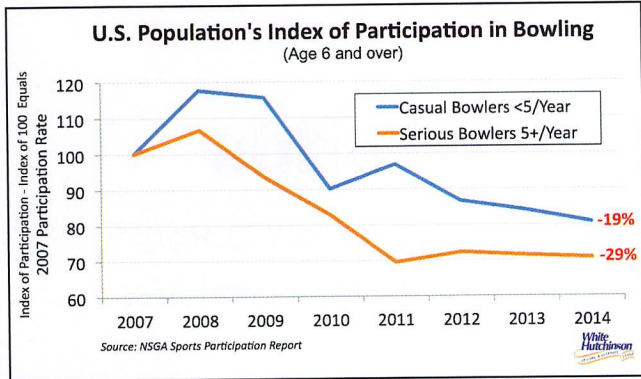
Since it was considered a competitive sport, the design and maintenance of the lanes and bowling equipment was specified by the United States Bowling Council and bowling alleys needed to get annual certifications showing that they were in compliance.

As a result of both the decline in league bowling and the design of aging, older alleys (settee seating, lounges, often deferred maintenance and lack of quality remodeling plus changing demographics in many locations), the number of bowling alleys has been in constant decline from over 7,000 in 1978 to around 4,100 today. There has been a 20% decline just over the last seven years. (See chart above.)

Our company uses several national survey sources to track the changing landscape of U.S. bowlers, including our own. Here are







By comparing the two graphs below that show the breakdown of bowling participation by age for both casual and frequent bowlers, it becomes clear that the decline of younger bowlers is attributable to a decline in frequent bowlers, whereas **the participation rate has actually gone up for younger occasional bowlers.**

Bowling has not only shifted to the casual bowler who isn't bowling for sport, but also to higher socioeconomic bowlers. This is consistent with our company's research and analysis that shows a similar **shift in participation share to higher income households in other types of location-based entertainment.** (See the charts at the top of the next page.)

The decline in frequent and league bowlers plus the old bowling alleys' lack of appeal to an upscale customer is the basic cause for the decline of so many bowling alleys over the past several decades. That is the Old World of bowling, leagues and old alleys.

But bowling has a New World and it has nothing to do with the sport of bowling. It's all about adult-oriented social gathering venues that don't con-

some trends we've identified.

Although there are minor differences between the different national survey sources, all show approximately a one-quarter decline in the number of bowlers since 2007, while during the same time the U.S. population grew by 6%. (See chart on the previous page.)

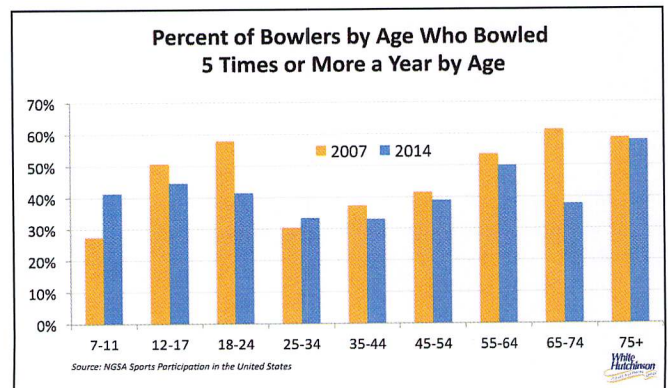
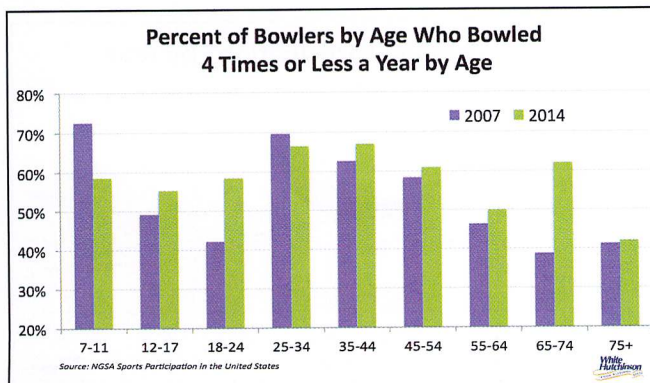
Generally, the percentage of the U.S. population that bowled at least once during 2014 was in the high teens and the number of households that had at least one member bowl was in the low twenties. **This makes bowling still**

**the most popular form of indoor entertainment other than the movies.**

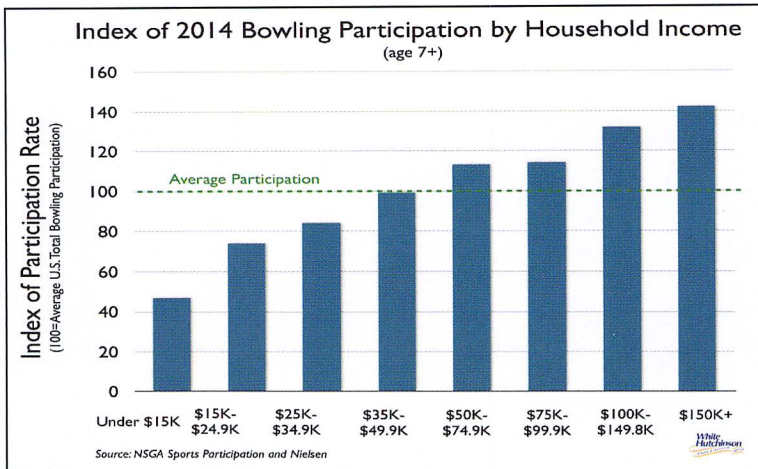
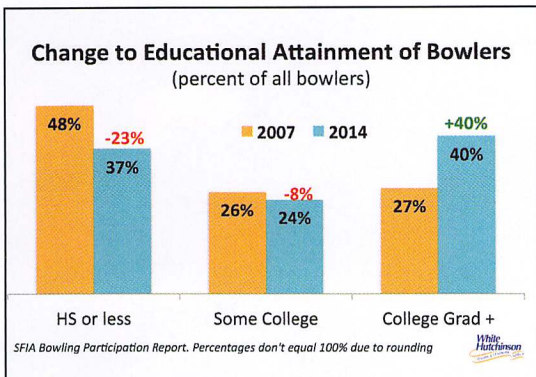
Casual, less frequent bowlers now dominate bowling. The number of frequent bowlers, including league bowlers, has declined at a faster rate than occasional bowlers. (See top left.)

Most bowlers now bowl four or less times a year.

Younger bowlers have seen the greatest decline in participation. The chart below left gives the breakdown in participation changes for different age groups since 2007.







sider bowling as their sole anchor attraction. Instead, these locations combine social bowling with great food and beverage and other attractions, including laser tag, bocce ball and game rooms, all in an upscale environment. Typically, high quality, contemporary food and beverage makes up half or more of revenues.

**Game rooms are proving to be increasing important to this new economic model, as they increase per capita spending and can generate 25% or more of the venue's revenues in a small footprint.**

The strong emphasis and appeal of the New World venues' group social experience is influencing the mix of games in the game-rooms. The game rooms are increasing the number of social games that a group of people (especially four or more) can play together. Examples include the older *Super Trivia* attraction from ICE, Bandai Namco's *Pac-Man Battle Royale* and *Pac-Man Smash*, multi-player sitdown drivers and the upcoming *Ocean King*. The games industry needs to develop more group social games to complement the New World social gathering dining, drinking and game venues.

Many new centers don't even have leagues, as the league customer is a completely different animal than the



**The 4-pl. Pac-Man Battle**

**Royale** at Punchbowl Social in Portland, Oregon, a location that offers games, bowling and upscale dining (the deluxe version of the game is pictured at left). That's Bandai Namco's *Pac-Man Smash* at right.



casual bowler. And when you focus on casual social bowling and don't cater to the sport of bowling, there is no longer a need to follow USBC certification requirements. That means you can use string pinsetters instead of complex mechanical pinsetters which require a pinsetter mechanic. You can even shorten the lanes. Oiling the lanes no longer has to be an exact science. Casual bowlers are there for fun and socialization. They aren't in sports competition for high scores. Heck, half the time, some of the people at the lane don't even bowl. It's more about party time.

The New World centers include great seating at the lanes that allow you to eat and drink there, not those Old World, hard settee seats with no place

to set your food and beverages.

So what is happening is that what was once a bowling industry filled with bowling-dedicated centers, is dying. Bowling now is just one part of the mix, and often not necessarily the most important component for the new breed of New World upscale dining, drinking and social gaming centers.

And the old paradigm that you need

to cast the widest net to capture all age groups is proving to be a less than optimal business model. Now this may seem totally counterintuitive, but when you design for adults, you still get the family market during the day and

early evening. There's not a kid in the world age six or older who won't rather go to an adult venue with his family rather than a kid one. And of course, her/his parents prefer the adult-oriented one. This has been proven by many adult venues including Dave & Buster's, a venue designed completely for adults, yet over a third of their customers are families.

Some of these new upscale centers are older alleys located in good demographic markets that have been remodeled and updated to the New World standards, removing a number of the lanes to make room for destination restaurants, other social game attrac-





**Old World** bowling settees are in stark contrast to the seating available in modern "bowling-as-entertainment" locations. As part of an evening-out experience, lounge-style environments prevail as so evident in the photo at right of a U.S. Bowling seating area at Star Lanes.

tions, gamerooms, VIP suites and other improvements. Many of the totally new ones have now expanded into chains. And not surprisingly, considering how hard it is for older bowling proprietors to change their paradigms, the most successful centers have owners who don't have a history in the bowling industry. The majority of these new upscale centers are designed to appeal to adults. Most importantly, they are

phenomenally successful with per foot sales that are multiples of what the surviving Old World alleys achieve.

So although the number of both centers and bowlers is on the decline, that trend should soon bottom out and reverse, at least for the number of bowlers. The demand for casual upscale bowling is elastic, meaning that when more of the New World centers are developed in areas of the country

where they don't now exist (the majority of areas), people who are turned off by or don't frequent the old alleys will discover the New World of bowling and become regulars.

Yes, bowling is still in two worlds, but there it's undergoing a renaissance with the growing New World of dining, drinking and social games that include some bowling as part of the socialization mix. Long live bowling!

