

OH LUCKY MAN

Lucky Strike starts a second bowling chain, gets into arcades, will put its name on shoes this year, and eyes a London opening next year.

BY FRED GROH

On our short-list of most influential people in the bowling business in the '00 decade, no one ranks higher than Steven Foster. His concept of making bowling intimate and settling it comfortably into luxury surroundings changed the industry's idea of what a bowling venue is. It continues to change the public's idea.

Men in the street and people in the business we talk to around the world don't always get the name Lucky Strike exactly right or know where it is, but everybody seems to know what it is. They've got the idea that was new for Foster when we introduced him to the industry in our October 2003 cover story. That was shortly after he had opened Lucky Strike Hollywood, his first store. We speculated that the Lucky Strike idea would be the next big thing in bowling. It was, in spades.

We were thinking about Mr. Foster and his contribution



to the business recently and realized once again how eventful the past seven years in this industry have been. We wondered what was happening with Lucky Strike the brand, the company, and the man. The short answer is: more than ever.

LUXE, LEAGUES AND SHOES

Lucky Strike number 20 opened last month in Phoenix. Foster says he thinks there is room for 50-75 in the U.S. The concept has changed slightly.

In the restaurant, patrons now sit on lounge furniture around small dining tables rather like coffee tables. In the Manhattan, Los Angeles, Houston, and Bellevue, WA locations, four of his newest, he has introduced Lucky Strike Luxe. It's a separate room, usually with four bowling lanes, where audio-visual, food and decor are even more upscale than the rest of a Lucky Strike. (Lucky Strike photos, page 30.)

Leagues have been part of the Lucky Strike picture for about a year. Strictly fun leagues, to be sure, they run about six weeks. Foster says he would have started them even without the economic downturn.

"Social activities are where we live and breathe. There [are] all kinds of lightly competitive leagues like dodge ball leagues, kickball leagues, soccer leagues, and when the weather is not conducive to those experiences, where do those people go?"

The leagues are promoted "very actively" on Internet social networks, in-house, and "we usually find somebody in town that has been active in those other leagues that has lists and a following."

He has leagues in his Philadelphia, Manhattan, Washington D.C., Boston, Orange County (CA), and Hollywood venues. Most of them have 16 or 18 teams of four; a couple of locations have around 100 league bowlers.

Press coverage for Lucky Strike continues on high notes. A lot of that has to do with celebrity events at the properties, Foster agrees. "The brand has stayed very lively. That's enabled us also [to] consider extending the brand into retail. We're in

the process of manufacturing a co-branded shoe between Lucky Strike and Puma."

The final design of the bowling-cum-street shoe is approved – there are a leather version and a suede style – and production is expected to begin in November. The shoe will be sold at Lucky Strike, and Foster says he is exploring sales farther afield. (Photos were not available at press time.)

STAR LANES

Like many businesses, Foster had to go slow on planned expansion last year. When his senior lender wanted him to use his cash flow to amortize principal, that forced the issue of management contracts or licensing the Lucky Strike brand. That led to two deals, which Foster describes as "management contracts that have a licensing component."

One was the Phoenix project opened in August. It is branded Lucky Strike. The other, in the Greater Cincinnati market, carries a new moniker and is planned to launch a new chain: Star Lanes. See photo on page 32.

Across the river from Cincinnati and on the waterfront, a local developer named Price Group had an open-air mall with under-utilized space and a feasibility study showing that bowling would be the optimal tenant. Via Foster's bowling supplier, US Bowling, and a leisure entertainment consultant, Amusement Entertainment Management, the developer and the bowling entrepreneur met and hit it off.

The idea came to Foster of creating a "sister brand" and putting on hold the thinking he had been doing for several years about franchising Lucky Strike in the U.S. That's aside for now because of Star Lanes, but he's not ruled it out.

"If Lucky Strike had a very beautiful kid sister, that would be Star Lanes," he says. "It's a less expensive build-out and we're able to charge less-premium prices. Instead of a \$10 martini it might be a \$7 martini. Instead of bowling at \$40 or \$50 an hour, maybe \$30 an hour in prime time."

Though the venue is definitely upscale, economies were



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Lucky Strike's Los Angeles venue is at L.A. Live, a \$2.5-billion downtown entertainment, sports and residential development. It has 13 restaurants, a 2,300-capacity space for live music, a 7,100-seat theater for stage presentations, a 40,000-square-foot outdoor event space, and the GRAMMY Museum of the recording industry. A 54-story high-rise houses 224 luxury condos plus a convention headquarters with 1,001 rooms ensconced in two hotels, a Ritz Carlton and a JW Marriott. The complex is overseen by Anschutz Entertainment Group (AEG), an international sports and entertainment presenter.

On the cover and page 26. Photos of Steven Foster by Michael Poles Photography. Photo of L.A. Live courtesy of AEG.



Hallmark settee featured couches in the first Lucky Strikes (1, 2). In an extension of the restaurant area, lounge seating surrounds small tables at newer locations (3).



effected in a smaller kitchen and shorter menu, some of the decor finishes, and different art. Star Lanes units will average 8-14 lanes, or perhaps 8-12, but fewer than Lucky Strike's prototypical 12-14. The look is very different from Lucky Strike.

"I just kind of liked it," Foster notes about the name. "We thought 'Hollywood Lanes' for a while. We were a little concerned about using 'Hollywood' in Cincinnati, but we liked 'Star,' and we don't mean in this case celebrity stars, because we've used a lot of stars [in the decor]."

When Foster attended the Star Lanes grand opening in April, he saw a customer mix "very similar" to Lucky Strike. "A big cross-section. I think Star Lanes — a little early to say — but we saw very appreciative clientele."

POWER PLAY

"We felt there was an opportunity with electronic games where we could apply the same kind of thought process that we had at Lucky Strike." If Lucky Strike is an upscale riff on a bowling alley, then Power Play, which abuts the Lucky Strike in Bellevue, WA, is ditto for an arcade.

"I don't want to use the term 'Las Vegas-y,' but for lack of a better description... Upscale, finished, refined, exciting, and feels more like a casino than like an arcade." See photos on page 33.

Of 150 player stations, about a third are redemption games. There are laser games, driving games, old-time fun like Skee-Ball, and new-time fun like Hummer and Harley full-motion simulators and Guitar Hero (arcade version). Game prices are 50 cents to \$3. Power Play has a beer bar and an adults-only policy after 9 p.m. It's about 12,000 square feet.

The two properties have separate entrances and connect through a common wall. Foster says prime time Lucky Strike on a Friday or Saturday night, and adults-only hours the rest of the week create a lot of spillover into Power Play. Traffic goes the other way, too. Weekend afternoons, families often come in and play games, then adjourn next door to bowl.



The “beautiful kid sister.” First Star Lanes is at Newport on the Levee mall, Newport, KY (Greater Cincinnati area). Menu in the full-service restaurant is shortened version of Lucky Strike’s. The game side of the house includes 12 public and four private bowling lanes; 30 HD projection and LCD screens; DJ booth; billiards. The venue is 24,640 square feet.



This first Power Play, opened last fall, will be in beta mode for another few months, then Foster intends to build more as he finds good locations. In current planning, all will about Lucky Strikes, “where 1 and 1 equals more than 2.” He hasn’t decided whether Power Play will become part of the Star Lanes concept as well.

ACROSS THE WATER

When we were catching up with Foster, he was expecting a contingent from Japan the following week. They were flying over, they told him, only in order to talk about franchising multiple Lucky Strikes in their country. “It’s round one in person but it’s [been] three or four rounds on the phone and some exchange of information.”

Progress in Korea is lagging that a little. The developer of the Colorado and Houston Lucky Strikes, who “has done a lot in Korea, thinks there’s a huge opportunity for licensing the brand starting in Korea but then branching out to China and etc. He wants to tee up some serious meetings with them in the next month. We’re very excited about that because this guy is real and he is very good at what he does.”

Before either possibility materializes, expect a Lucky Strike in London. Foster

has narrowed the possibility to a location in the former Millennium Dome, built 10 years ago to herald the turn of the century. The site was redeveloped as an entertainment complex and renamed The O2 by Anschutz Entertainment Group, owner of professional sports teams and a world leader in sports and entertainment presentations, with whom Foster would partner in a Lucky Strike there. AEG recently completed L.A. Live, a \$2.5 billion mega-complex of residences, hotels and entertainment venues where Lucky Strike has its downtown Los Angeles location. Foster thinks the O2 deal will be a go. “That’s pretty real. Next year.”

REGRETS? A FEW

“We’ve chosen some wrong locations over the last seven years. For us, you need enough people living in the trade area and working in the trade area to be economically viable. It’s not been like every time we opened a unit we hit a triple or a home run.”

But Foster is completely confident in the viability of the Lucky Strike model, contrary to the occasional Doubting Thomas who remains. “I think that was a valid question in the first year or two, but after seven years of demonstrated success...”

“Let’s talk about the nighttime business. If you want to go out at night with your friends or whatever, and you want to talk and do something, what is there? What does the culture offer? Movies are passive, essentially. Sports events are kind of passive. Restaurants are restaurants and bars are bars. You don’t really have an opportunity to interact conversationally in a nightclub.

“When you look at what bowling is – this wonderful, joyous, child-like experience that breaks the ice socially, no matter who you are – the idea of wrapping it in a warm atmosphere and a hospitality-orientation – what about that is trendy? The substantive experience of bowling is true; it delivers whether you are a good bowler, a mediocre bowler or a bad bowler. It’s fun with yourself, it’s fun with a group of two, it’s fun with a group of 10. Is the faddish part that we warmed it up? I don’t know why. If the experience itself is valid, then warming up the

environment around it is valid.”

We asked if he had to pick one Lucky Strike for the apple of his eye, which it would be. We hardly finished the question before he said, “Hollywood.”

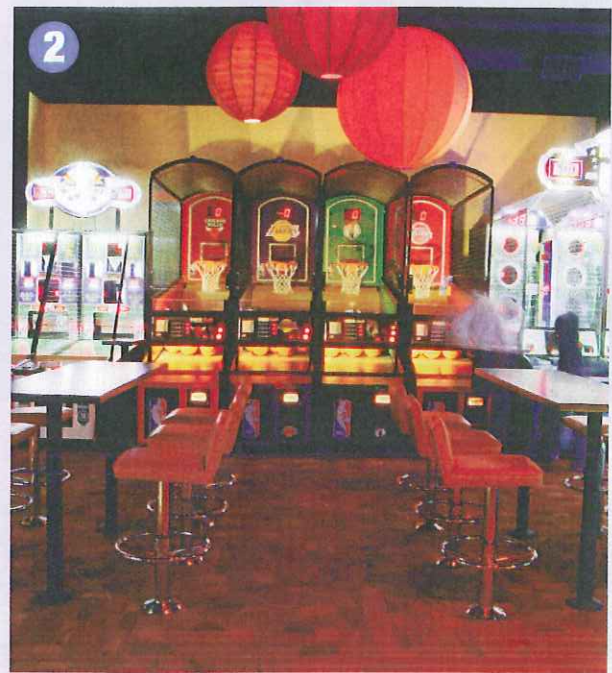
For sentimental reasons?

“Yeah. It’s so...” – searching for the right word, finding the

word he had just used about the game of bowling – “true.

“It’s funny that you asked me that question today of all days, because one of the reasons I was a little late on this call was because we had two of our key managers in from Hollywood. Just kind of reviewing everything.

“I don’t know, it just warms my heart.” ❖



Arcade, Lucky Strike-style. DJ booth, bar and club-like action (1); traditional, kid-friendly games and spaces to sit, eat and chat (2); and high-tech games (3) that include full-motion Harley and Hummer simulator suites and Sega Outrun 2 with life-size Ferraris and 62-inch HD screens. 48-beam laser maze is not pictured. The pendent ceiling fixtures echo decor of Lucky Strike next door.

