

Bowling Alley Marketing Plan

HiFlex Physio

IMPORTANT!

Throughout this document, 20YY is used to represent the current year of HiFlex Physio' operations. 20YY+1, 20YY+2, and so on are used to represent the following years of operation.

Executive Summary

HiFlex Physio was formed in 2001 in Cairns, Queensland as a corporation. HiFlex Physio is a dynamic fitness corporation poised to capture substantial market share in one of the fastest growing service industries in the country. HiFlex Physio is a Cairns corporation incorporated in 2001 and wholly owned by Margaret House. A Board of Directors has been established and the Head Office now has a team of General Manager Finance, Human Resource and Marketing, an Executive Assistant, and support staff. The Centres have a Centre Manager, Assistant Manager, and a team of various sizes composed of experts in health related and fitness disciplines. HiFlex Physio will continue to have its base of operations in Cairns (Fitness Centre and Head Office), Brisbane, Sydney, and Melbourne. HiFlex Physio intends to expand their services as demand increases.

The owner and Chief Executive Officer, Margaret House, has extensive experience as a personal trainer, life coach, and manager of fitness centres. In addition, Ms House has approved a marketing strategy that is well suited to building a larger market share. HiFlex Physio now has the potential to gain a reputation for offering healthy entertainment in addition to healthy lifestyle choices.

The bowling alley will initially be installed at the Cairns Centre as a trial. If successful, the model will be replicated at all HiFlex Physio centres around Australia within two (2) years. Each will service their surrounding areas providing quality family entertainment.

Ways to minimise risk factors to HiFlex Physio Bowling's success include:

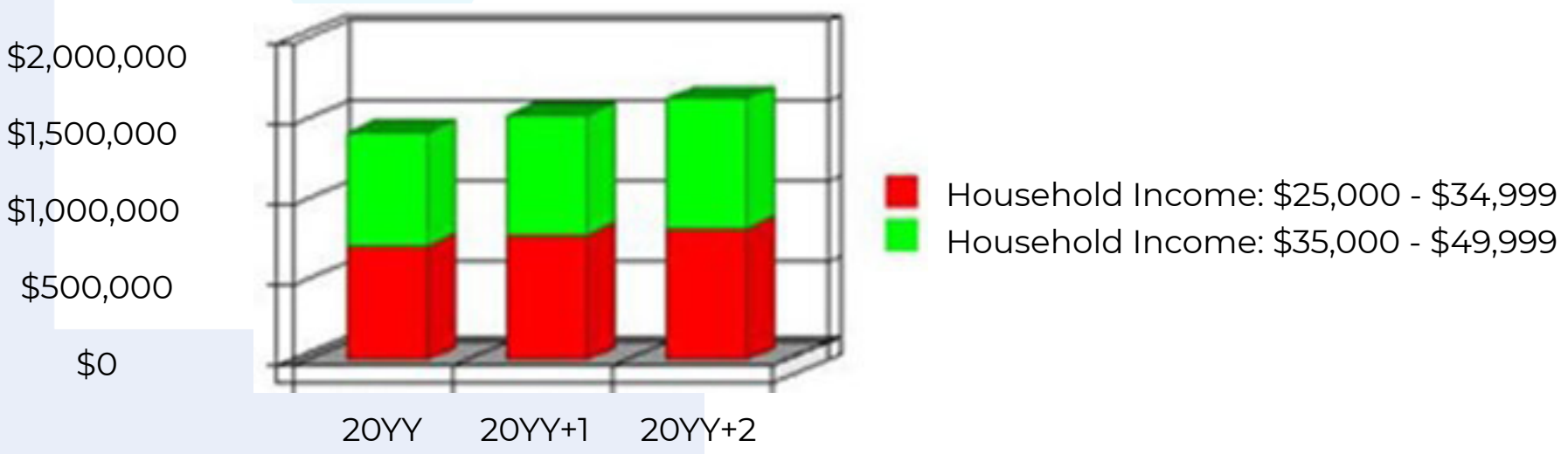
1. Obtain sufficient capital to build and cover expenses of initial operation.

2. Maintain low overhead costs that increase the bottom line profit. Multi-skilled personnel will be employed, and a continual training program will ensure they deliver consistent and superior service where customer satisfaction is paramount.

3. Build a sufficient customer base. The excellent locations of the HiFlex Physio Centres have been determined by demographics, and an aggressive marketing program by a full-time employee will ensure desired results.

4. Establish community involvement to demonstrate how the business will contribute to a better quality of life. Community projects using the HiFlex Physio Bowling Centre's facilities will be developed to help civic groups obtain their financial goals. Schools, churches, and other groups will be welcomed for tours of the bowling centre.

5. All payments will be cash, cheque, or credit card, which eliminates the need for invoicing and collections.



Situation Analysis

HiFlex Physio Bowling Centre is entering its first year of operation. The idea of a family entertainment centre has been well received and marketing is now critical to its success and future profitability. HiFlex Physio Bowling Centre offers a wide range of family entertainment options. The basic market need is a comprehensive entertainment centre that addresses an entire family's interests.

Market Summary

HiFlex Physio Bowling Centre possesses good information about their market and has compiled a lot of information regarding their perspective customers. This information will be leveraged to better understand who is served, their specific needs, and how HiFlex Physio Bowling Centre can better communicate with them.

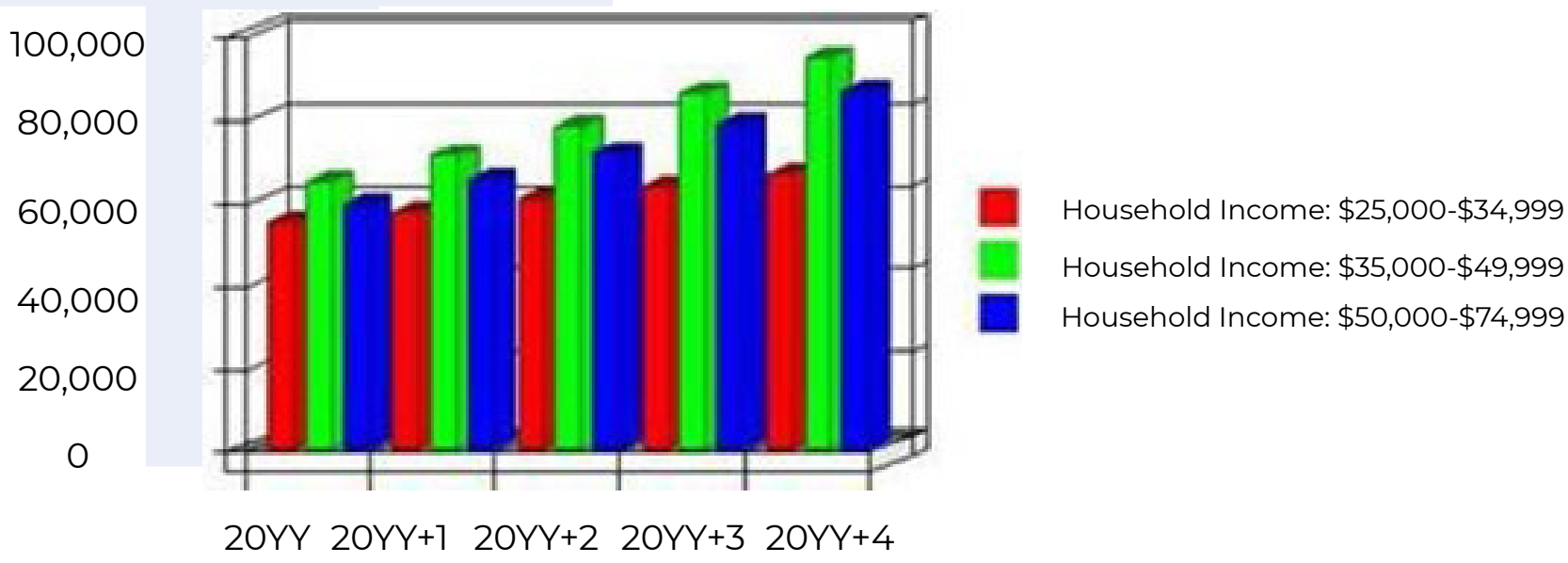
Market Needs

HiFlex Physio Bowling Centre is providing its customers with a wide selection of entertainment activities. All of these activities incorporate the newest technological advances. HiFlex Physio seeks to fulfil the following benefits that are important to their customers:

- Convenience - location and ease of use
- Wide range of services
- Utilisation of advanced technology.

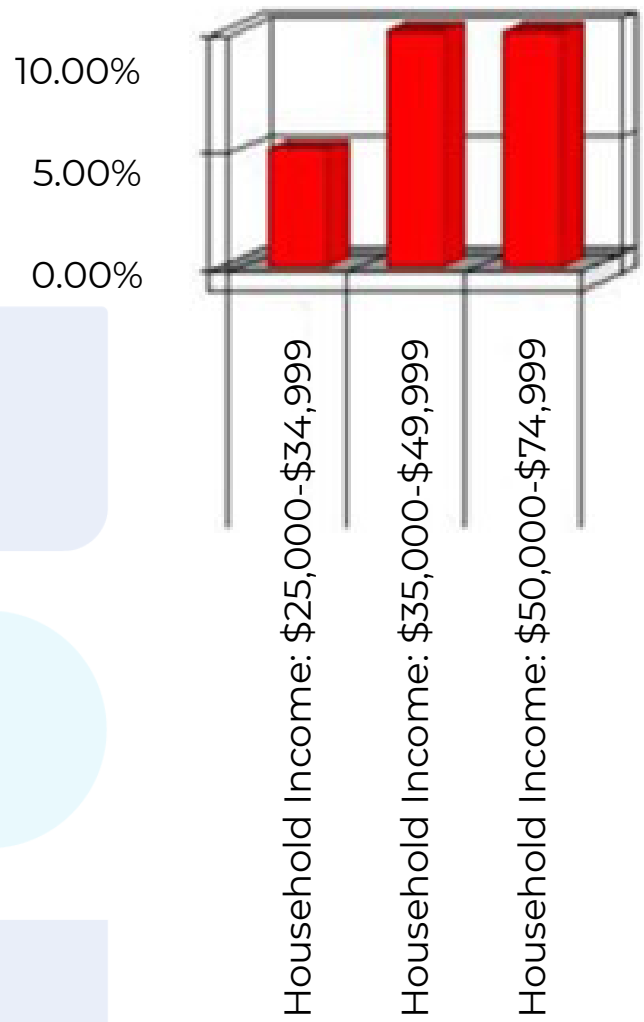
Market Trends

During the past ten (10) years, large chains like ABC Bowling have been buying up various local bowling centres until they control the market. When they control the market, they cut services, raise prices, and drive away core business due to their indifference to customers' concerns. The chain always moves decision - making to its headquarters. Now the centre is no longer a community-oriented business, and the customers see it as a big corporation that doesn't care about local inputs. This is why there has been a downward trend nationally in the bowling industry, but an increase in business where good and locally -owned and operated centres exist.



Market Growth

As the population ages, the potential market also increases. The centres that have a good marketing program and provide excellent service will increase their customer base.



SWOT Analysis

The following SWOT analysis captures the key strength and weaknesses within the company, and describes the opportunities and threats facing HiFlex Physio Bowling Centre.

Strengths

- Strong understanding and recognition of technology and its appropriate uses
- Solid relationships with many of the influential players within the community
- High quality services offered.

Weaknesses

- High start-up costs
- Possible difficulty generating brand equity
- The struggle to continually appear on the cutting edge.

Opportunities

- Participation within a high growth industry
- Increased sales opportunities as the HiFlex Physio area becomes more developed
- The ability to spread fixed costs over an increasing revenue base.

Threats

- Local bowling leagues not willing to switch facilities
- National chain facilities initiating major marketing push to retain customer base
- Competing facility stays open instead of closing as scheduled.

Competition

Competition in the bowling business in Cairns is mild and will play a role in HiFlex Physio Bowling Centre's success. As described in the following section, one of the bowling centres will be closed in 20YY+1. None of the incumbent establishments have either the level of technology, or the wide range of services provided by HiFlex Physio Bowling Centre. Furthermore, customer service, which is the underlying criteria for success in this business, has not been stressed by the current management of the competing bowling centres. Like other types of entertainment, price is not the only buying criterion as customers expect to enjoy the whole process of having fun. Customer service, a spotless environment, and properly working equipment equally contribute to ensuring the customer will want to come back again.

There are three (3) bowling centres in Cairns. All are owned by ABC Bowling Corporation. Two (2) of them, ABC Earlville and ABC Edmonton, will not have any impact on HiFlex Physio Bowling Centre potential customers. One is located on the southwest side of the highway and divides the entire region. No easy roadway connects the ABC Edmonton customer base to HiFlex Physio Bowling Centre potential customers. However, HiFlex Physio Bowling Centre may gain customers from ABC Earlville when it closes in 20YY+1. That is when James Cook University, the owner of the building, is scheduled to replace it with a new building. The third centre, ABC Yorkies Knob, was designed and built in 1983. HiFlex Physio Bowling Centre will have a major impact on this centre. The lack of concern for the customer is why several leagues have indicated they will move to HiFlex Physio Bowling Centre when it opens.

Service Offering

The bowling business is family entertainment. This is a sport that all ages can participate in and enjoy as individuals or in groups. It is where grandparents take grandchildren of all ages to have a bonding outing. The new computer technology enables anyone to experience the excitement of the sport without having to know how to keep score, because it is done automatically by the computer and displayed on a monitor. The core revenue producer is the league structure, which is all encompassing. The basic element in leagues is its three levels – beginning with youth leagues, it progresses until it reaches the senior citizen. The largest numbers of league bowlers are in the 35-50 age groups, married with two (2) children, home owning, and with an annual income between $40,000 and $75,000.

These leagues are primarily made up of married couples with similar backgrounds. Large corporations, adult school-booster organisations, and churches are excellent sources for forming this type of league. League development is only limited by management's imagination; however, the key is to find a common interest which each member of the league shares. HiFlex Physio Bowling Centre is a multi-media centre incorporating the fitness centre, alternative health facility, and café. The HiFlex Physio Bowling Centre will also have a billiard and dart parlour with its own league structure. The café is under consideration for a revamp to a full service restaurant which could feature live entertainment or Karaoke for the late-night customers.

Keys to Success

HiFlex Physio Bowling Centre has three (3) keys to success.

1. Location

The centre will be strategically located to maximise the profits from the modern day bowler. The centre will be constructed adjacent to the existing HiFlex Physio Centre in a building recently purchased by HiFlex Physio. This location is a half mile from Stocklands Shopping Complex, which includes a Big W Store, Woolworths, six (6) screen BCG Cinema, six national restaurants, two (2) banks and thirty-five (35) other store-front type businesses. This is an excellent location for a multi-purpose bowling centre. According to the Cairns Planning Division's statistical profile of the primary market area (one (1) to five (5) kilometre radius) the location is perfect, as described by the National Bowling Council study that outlines the required demographics for a successful bowling centre.

2. Low Overhead Cost

HiFlex Physio Bowling Centre's management will keep overhead costs at a minimum. First, during construction of the centre, Steve Brinkley, General Manager Finance will be project manager, saving approximately 15% of construction costs. His experience as a project manager contributes to his ability to streamline operations whilst minimising unnecessary expenses. The employment of the best in the field for his staff will allow having many of the key employees doing more than one (1) task. The centre will have the most energy-efficient equipment of any centre in the area.

3. Wide Range of Services

HiFlex Physio Bowling Centre will provide entertainment, not only through bowling, but also by having a full-service internet café, billiards and darts, arcade, snack bar, apparel/pro shop, and children's nursery. This diversity will bring in more customers and provide them more ways to enjoy themselves and spend their discretionary income.

Critical Issues

- Work hard to develop sufficient usage of all of the different activities. This is especially important to address the debt load.
- Meet customer needs. This is not a one-time task but an evolving challenge.

Technology

Today's bowling centre is part entertainment, part sport, and part business. AMF BOSS Scoring and AMF BOSS are the systems that work together to intelligently combine all three (3). Instead of being bogged down with routine, the manager of the bowling centre is free to manage. AMF BOSS Scoring makes each game an entertaining experience for bowlers of every skill level. Bowlers follow their score on an advanced 3D score grid that's graphically appealing and easy to read. Over one-hundred (100) exciter animations add visual fun to every game situation. What's more, bumper deployment can be controlled by the scorer so parents and children can share a lane with a minimum of disruption. With its combination of features, AMF BOSS Scoring makes bowling more fun for everyone – and that makes bowlers want to come back.

AMF BOSS Scoring is a professional scoring system; it helps bowlers improve. AMF BOSS Scoring has the industry's most reliable and accurate scoring camera. Working with it are high resolution monitors, with a sharper picture than any standard TV set. Bowlers can choose five (5) or ten (10) frame score grids and ball speed displays, plus instant replay, all of which help them evaluate or adjust their play after every shot. Add handicapping and the system has everything the serious bowler wants and needs.

AMF BOSS Scoring helps get a better return on money invested in a bowling centre. With video merchandising and revenue-generating games like 40 Frame and Strike Shot, powered by a Pentium processor and displayed on high-resolution VGA monitors, AMF BOSS Scoring gives the centre more opportunities for enhanced revenue.

AMF BOSS is the perfect business partner. Developed jointly by Microsoft and AMF, this Front Desk / Back Office system is flexible and efficient. With easy-to-understand graphics created by an award-winning design firm, and an optional touch screen complemented by a custom keyboard, training is fast and easy. And advanced COM (Component Object Model) technology makes future upgrades and programming add-ons a breeze. With inherent revenue-generating capability and superior bowling business software, the entire bowling centre can be managed more effectively. AMF BOSS can be configured to the specific needs of this particular centre, now, and in the future with additional modules such as Video Merchandising Leagues and Tournaments.

Marketing Strategy

A full-time public relations coordinator will be a vital part of HiFlex Physio Bowling Centre's management team. They will be responsible for assuring customer satisfaction, generating public awareness of the type of entertainment offered at the centre, and filling the various leagues with bowlers. Publicity will be generated through:

- Internet website
- Print advertisements
- Promotional coupons
- Customer Frequent Bowler program
- Business-to-business personal contact (networking).

Mission

HiFlex Physio Bowling Centre's mission is to provide a wide range of high quality family entertainment options. We exist to attract and maintain customers. With a strict adherence to this maxim, success will be ensured. Our services will exceed the expectations of our customers.

Marketing Objectives

1. Maintain steady sales growth

2. Increase market share every quarter

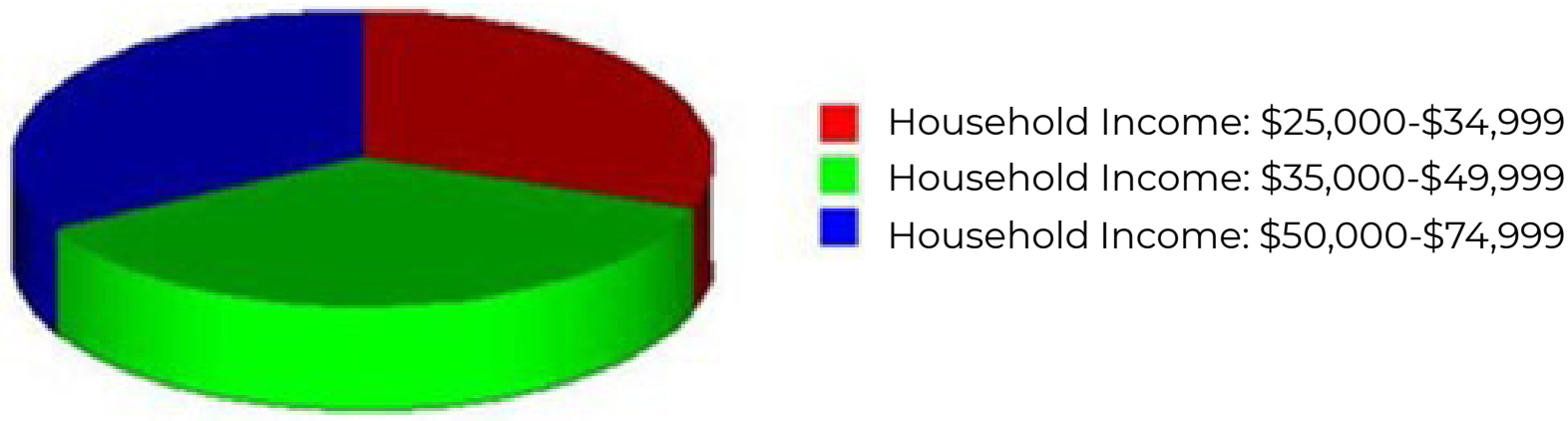
3. Decrease customer acquisition costs by 1.5% per quarter.

Financial Objectives

- Once operational, hold spending at a steady level relative to sales
- Decrease the debt load as fast as possible
- Increase the revenue per customer by 2% every quarter.

Target Marketing

The bowling market is targeted according to household income. The three (3) major categories are $25,000 to $34,999, $35,000 to $49,999, and $50,000 to $74,999.



Market Analysis		20YY	20YY+1	20YY+2	20YY+3	20YY+4	
Potential Customers	**Growth**						**CAGR**
Household Income:							
$25,000 - $34,999	5%	54,600	57,330	60,197	63,207	66,367	5.00%
Household Income:							
$35,000-$49,999	10%	64,500	70,950	78,045	85,850	94,435	10.00%
Household Income:							
$50,000-$74,999	10%	59,100	65,010	71,511	78,662	86,528	10.00%
Total	**8.54%**	**178,200**	**193,290**	**209,753**	**227,719**	**247,330**	**8.54%**

Strategy Pyramids

The single objective is to position HiFlex Physio Bowling Centre as the premier family entertainment centre in the region, quickly gaining market share. The marketing strategy will seek to create customer awareness regarding the services offered and develop the customer base.

The message that HiFlex Physio will seek to communicate is that the centre is the most advanced and comprehensive entertainment centre in the area. This message will be communicated using several methods:

- Website
- Advertisement
- Coupons
- Community involvement
- Networking

Marketing Mix

HiFlex Physio's marketing mix is composed of the following approaches to pricing, distribution, advertising and promotion, and customer service.

- Pricing - all prices are fixed and on display
- Distribution - the services are all offered at the HiFlex Physio facility
- Advertising and Promotion - a multi-pronged strategy will be employed to achieve the advertising and promotion goals
- Customer Service - a high level of customer service must be maintained in order to ensure a large percentage of repeat customers.

Marketing Research

Two (2) forms of primary market research were performed when HiFlex Physio Bowling Centre was in the introductory stages of the business and marketing plan development. The first type was a questionnaire. The questionnaire was passed out to people within the targeted market population.

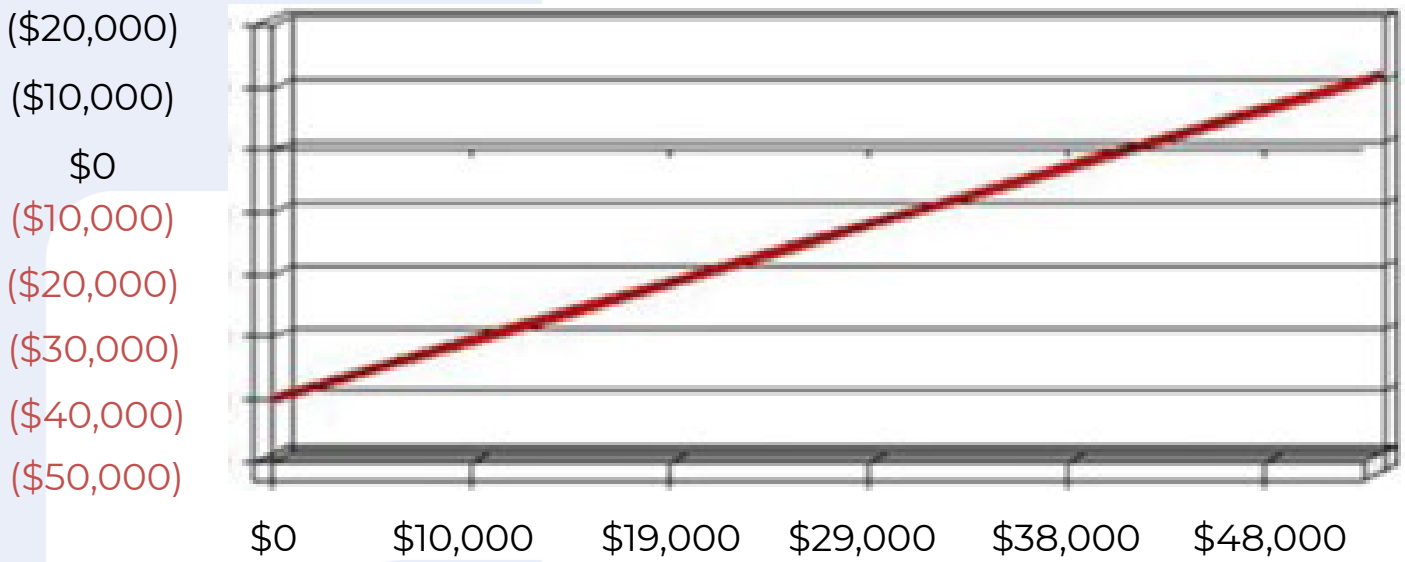
Focus groups were also used to solicit information about the target customers, their needs, and their purchasing decision making process. Both forms of market research were invaluable for the development of both the business and marketing plans, and served as a solid vote of confidence for the eventual decision to proceed with this project.

Financials, Budget, and Forecast

This section will offer a financial overview of HiFlex Physio Bowling Centre as it relates to the marketing activities. HiFlex Physio will address break-even analysis, sales forecasts, and expense forecasts, and how they link to the marketing strategy.

Break-even Analysis

With average monthly fixed costs of $40,000.80 and contribution margin of 95.24%, HiFlex Physio Bowling Centre will break even with a monthly sales revenue of $42,000.



Monthly break-even point

Break-even point = where line intersects with 0

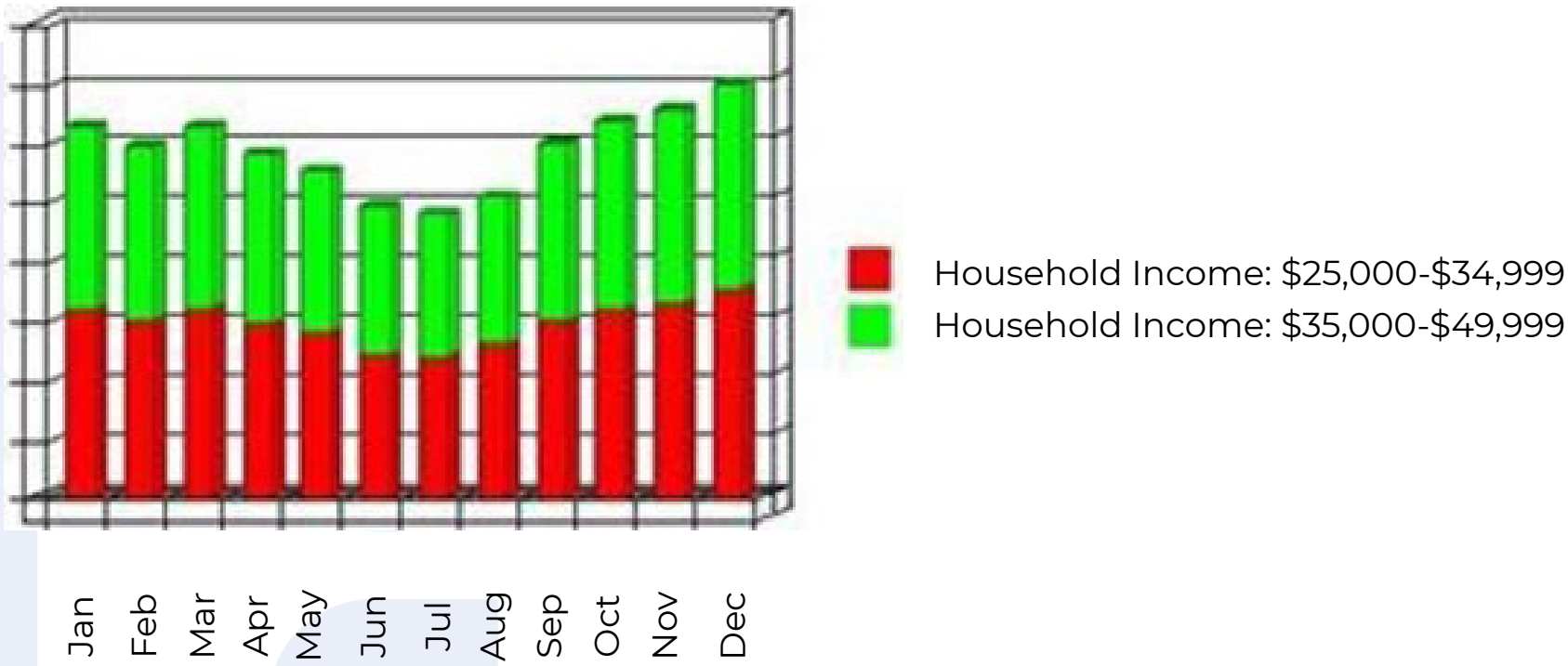
Break-even Analysis	
Monthly Revenue Break-even	$42,000

Assumptions	
Contribution Margin	95.24%
Average Monthly Fixed Cost	$40,000.80

Sales Forecast

HiFlex Physio Bowling Centre provides a venue for the entire family to enjoy their leisure time, participating in a competitive sport that requires minimum strength and athletic ability. The light exercise will help improve their health, and they will experience a clean facility where the service is the best in the industry, at a fair price.

The chart and table below show HiFlex Physio Bowling Centre's projected Sales Forecast. Annual projections for three (3) years are shown here, with the first year monthly figures in the appendices.

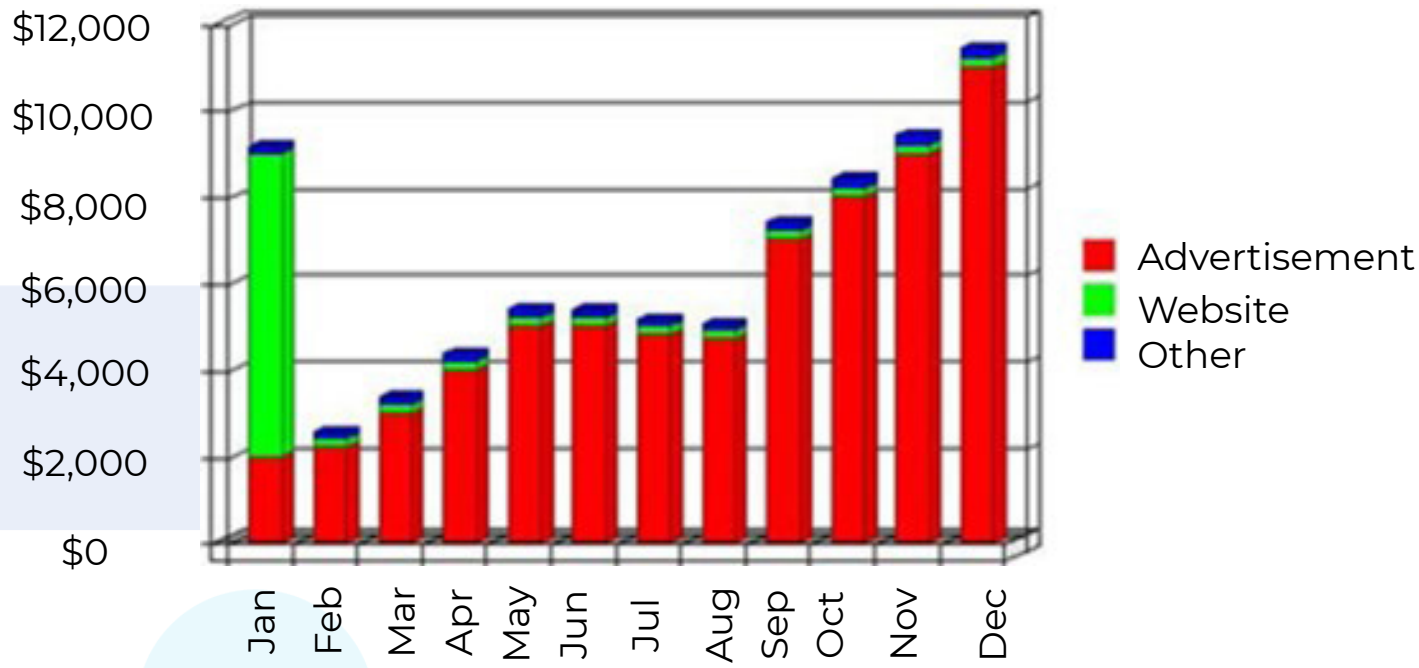


Sales Forcast	20YY	20YY+1	20YY+2
Household Income: $25,000-$34,999	$715,062	$766,522	$822,211
Household Income: $35,000-$49,999	$700,390	$745,543	$801,223
Total Sales	**$1,415,452**	**$1,522,065**	**$1,623,434**

Direct Cost of Sales	20YY	20YY+1	20YY+2
Household Income: $25,000-$34,999	$71,506	$77,652	$82,221
Household Income: $35,000-$49,999	$70,039	$74,554	$80,122
Subtotal Direct Cost of Sales	**$141,545**	**$152,207**	**$162,343**

Expense Forecast

The expense forecast will be used as a tool to keep the department on target and provide indicators when modifications or corrections must be made for the proper implementation of the marketing plan.



Marketing Expense Budget	20YY	20YY+1	20YY+2
Advertisement	$65,700	$70,003	$81,000
Website	$9,200	$15,000	$10,000
Other	$2,220	$4,000	$5,000
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Total Sales and Marketing Expenses	$77,120	$89,003	$96,000
Per Cent of Sales	5.45%	5.85%	5.91%

Controls

The purpose of Kiln Creek's marketing plan is to serve as a guide for the organisation. The following areas will be monitored to gauge performance:

- Expenses - monthly and annual
- Sales - monthly and annual
- Utilisation of the facility - a percentage of current usage rates relative to capacity
- Customer satisfaction.

Implementation Milestones

The following milestones identify the key marketing programs. It is important to accomplish each one on time and on budget.

Milestones					
Marketing Plan Completion	1/1/20YY	2/1/20YY	$0	K Jones	Marketing
Website Completion	1/1/20YY	2/1/20YY	$7,000	K Jones	Marketing
Advertising Campaign #1	3/1/20YY	5/30/20YY	$11,200	K Jones	Marketing
Advertising Campaign #2	6/1/20YY	8/30/20YY	$19,500	K Jones	Marketing
Advertising Campaign #3	9/1/20YY	11/30/20YY	$35,000	K Jones	Marketing
Total Advertising Budget			$72,700		
Totals			**$72,700**		

Contingency Planning

Difficulties and risks:

- Over-estimating demand
- Problems generating visibility
- Mistaken assumptions regarding the future development of the business area.

Worst case risks may include:

- Determining that the business cannot support itself on an ongoing basis
- Having to liquidate equipment to cover liabilities.

Version Control & Document History

Date	Summary of modifications	Version
2020	Version 1 produced for Precision Group (Australia)	1.0
14 December 2021	Version 1.1 produced with the following modifications: ● Updates to Break-even Analysis figures and calculations ● Changed presentation of years from 2003, 2004, etc. to 20YY, 20YY+1, etc.	1.1