

BUSINESS



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Pin-Hall Wizard

Les Goldberg Turns Bowling Into a Cosmic Experience

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Twinkly little white lights flicker a few inches from the hardwood floor. Reds, blues and greens flash from disco balls hanging in the ceiling. And rapper Jay-Z's hit song "Big Pimpin'" blares as rows of teenagers pump their arms and tap their feet at the foul line before rolling bowling balls down the lanes.

It's a Friday night in Gaithersburg at one of Leslie H. Goldberg's most successful bowling centers. Sometimes as many as 200 patrons crowd into the midnight sessions, where loud music and high spirits transform what was once the ultimate Joe Sixpack sport into trendy "cosmic bowling."

"When the old ones dropped out for golf, we had to develop new clients," said Goldberg, president of Bowl America Inc. of Alexandria. "That's what



"Cosmic bowling" sessions at Bowl America in Gaithersburg use flashing lights, colored balls and loud music to appeal to young customers like Vanessa Reed, below.



Goldberg Adds Profit And Glitter to Bowling

BOWLING, From E1

we're doing with cosmic."

Goldberg, 71, saw the flashing lights and music scene advertised in trade publications and decided to offer it four years ago at a handful of his centers. It's now a hit on weekends, after school and for special events among teenagers and adults at 14 of his centers in the Maryland and Virginia suburbs, Richmond and Florida.

Although Goldberg hasn't bowled in eight years because of a bad back, which he attributes to simply "getting old," he has seen his profits jump from the trendy cosmic sessions. And with his conservative financial principle of no debt, he has made the firm his father started in 1939 in the Clarendon section of Arlington one of the few remaining financially healthy public bowling companies.

Unlike many of his larger competitors, including debt-ridden AMF Bowling Inc., Goldberg's business is nowhere close to going in the gutter. He's grossing more than \$1 million on each of his centers, or about \$34,000 a lane, well above the industry average of \$25,000 a lane. That puts his earnings at \$4.2 million, on revenue of \$29 million in the fiscal year that ended last July.

Rarely does the company disappoint shareholders, many of whom have held on to the stock for a decade or more. Dividends per share have run about 40 cents for the past three years.

"It's one of the prides of the bowling industry," said Sandy Hansell, a bowling industry consultant and broker in Michigan who has owned shares of Bowl America for 25 years. "They're in a very enviable position. They essentially have no debt," he said. "They've got \$10 million cash in the bank and \$2 million of current liabilities. It's an anomaly by far in many industries."

The bowling business, including Goldberg's company, has gone through rough periods.

Goldberg's father, C. Edward Goldberg, who worked as a candy salesman, built his first alley in 1939 with three partners. (Their families are still involved in the company today.)

In the 1950s, bowling soared in popularity, becoming the nation's largest indoor sport. More than 10 million people participated weekly in the late 1950s and early 1960s, flocking to 12,000 bowling alleys nationwide. Companies that made bowling equipment, AMF and Brunswick Corp., decided to create a market for their new automatic pinsetters and helped proprietors such as Goldberg expand by outfitting alleys under favorable credit terms.

To finance growth, Goldberg and his investors took the company public in 1958. The \$600,000 the firm made by going public went into expansion. By 1963, however, Bowl America was heavily in debt and the sport's popularity was falling. The stock price fell, and the firm sold off alleys.

After growing up setting pins in his father's alleys, Goldberg left a job in New York as an advertising executive and came back to take over the family business in the late 1970s.

To keep the business afloat, the elder Goldberg had to make personal guarantees on loans—a position the younger Goldberg reminds himself that he "never wants to be in again." A shrewd investor, Goldberg has also put about \$860,000 into telecommunications firms, including Bell South, Sprint and Verizon. Goldberg estimates the shares are now worth about \$7 million.

In the last few years, Goldberg has closed three centers in Maryland, in Odenton, Bethesda and Rockville, because they were losing money. But he said he would like to expand the network of centers in the area soon. Industry experts said that should be relatively easy, given that his local competitor, the former Fair Lanes Inc. of Baltimore, is now part of AMF, a company whose debt is hobbling expansion.

Instead of going after older centers, which are sometimes downstairs like the one in Rockville, Goldberg plans to make his centers more visible places to play and eat, with diner-style restaurants such as the one tacked on to the center in Gaithersburg.

To attract customers, the bowling industry has attempted to overhaul its image. Goldberg is quick to correct visitors, informing them that his establishments are bowling "centers," not alleys. Gutters are now called "channels." The ball rolls down a lane, not an alley, into a "pin receptacle," not a pit.

"It's family entertainment now, instead of smoke-filled, beer-drinking guys in a dark hall," said Michael Ducat, president of the Bowling Proprietors Association of America in Arlington, Tex.

The latest trend, cosmic bowling, turns the centers into somewhat of a disco scene.

"I thought it was a six-month deal as far as popularity or at least a gimmick," said Irv Clark, a general manager at Bowl America. But cosmic bowling, with black lights and blaring hip-hop, oldies and Top 40 music, accounts for most of the profit in many bowling centers, including Goldberg's, by attracting suburban teenagers, professionals and parents with young children.

"It used to be you'd bowl in leagues that were four minutes from where you worked and lived," said Jack Kelly, chief executive officer of the Bowling Proprietors group. "Every Thursday you bowled. That was simple for the bowling alley. Then during the day all the housewives bowled."

"Then the housewife went to work and the factory worker became the salesman and he's not sure now if he'll be in town on Thursdays."

Goldberg spends only \$300,000 a year on advertising on cable TV and in newspapers. The most effective technique, he said, is word of mouth. He jokes that his parking lot these days shows how diverse are his customers. "We've got pickups, Mercedes and Jaguars," he said.

He maintains, moreover, that it's a sport people enjoy with or without the added lights and sounds. "Everybody understands it," Goldberg said. "It's a simple game. You don't have to be adroit to get it. And it's fun. When you're golfing, you're out there in the

middle of nowhere."

As he sees it, "bowling gives you a chance at some kind of public accomplishment. When you throw a strike you're at the foul line and then you turn around and see your friends cheering for you."

Take Jerry Dowd, 25, of Germantown, who works by day as a shipping clerk and came to a recent night cosmic session in Gaithersburg to hang out with two friends. Scores rarely seemed to matter as they clapped to the music and high-fived on every roll.

"It's something to do on a Friday night," Dowd said. "And the music keeps my mind off bowling. It's just fun."