

IAAPA Attractions **EXPO**

Game Room and Redemption

11/14/2007

8:30am

Room #S330CD



IAAPA

Game Room & Redemption [®]



IAAPA 2008

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Display

There are as many different kinds of Display as you can imagine. The function of a Display is to make the merchandise as attractive and interesting as possible. This is another side of the redemption business that is more of an art form than a science.

Some examples of Displays:

Arranged by price

Arranged by type of item

Arranged by gender

Arranged by color

Arranged by size

Arranged humorously!

Arranged seriously!

Arranged horizontally

Arranged vertically

Hang items from ceiling, top of display case, etc.

Fill the display case so it looks like it will burst open!

Display only one of each item

Display multiple items

Make dioramas (lots of fun!)

Display arrangements are highly influenced by the size and shape of your actual redemption center or your remote display cases and areas. The important issue is always how the merchandise looks from the guest's perspective. Is it easy to identify? Is the price correctly and legibly labeled and easy to read? Does the prize look appealing?

Remember that merchandise needs to be rotated on a regular basis, so the Displays need to be changed at the same time as the merchandise. The same principles of Display are applicable to cranes and direct to guest merchandise equipment – keep them exciting, interesting and timely!

Percentage Calculations

(with a little Guest Service added)

The most important calculation for everyone on your staff to understand is the Lifetime Value of a Guest:

The Total Dollars spent in one visit X the number of visits in a lifetime X the number of positive referrals that Guest will make to friends and family.

The lifetime value of a guest is a primary concept – it drives all of your Guest Service policies. If any interaction with the guest is viewed from a lifetime perspective, it is clear that the guest must be satisfied during that interaction in order that future earnings will not be jeopardized.

Remember that in order for your operation to receive the full benefit of the positive referral, any interaction with guest needs to be rapid and trouble-free. People only give positive “word of mouth” referrals when service is extraordinary; avoid the “bad movie” syndrome.

Redemption operations are no different than any other aspect of business – to “WOW” the guest every time and exceed expectations, you must under promise and over deliver every time.

The most important concept to understand regarding individual game percentages is that the percentage payout of any redemption game is inversely proportional to the entertainment value of that game. In other words:

MORE FUN (or Time), LESS TICKETS!

LESS FUN (or Time), MORE TICKETS!

There are 3 Essential Redemption Percentage Calculations:

Individual Game Payout Percentage – varies with each game.

Location Ticket Payout Percentage – Goal is 26-30%

Total Location Payout Percentage (The Most Important %)
Goal is 25%.

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There are several important additional calculations:

Prize Markup– 30-40%

Hit Frequency –

Average Token Value -

Token Shortage –

Individual Game Payout Percentage – This is the % that seems to confuse everyone. All games are not alike; they should not payout alike. The relationship between game and payout is simple:

More FUN and /or TIME = Less Ticket Payout
Less FUN and / or TIME = More Ticket Payout

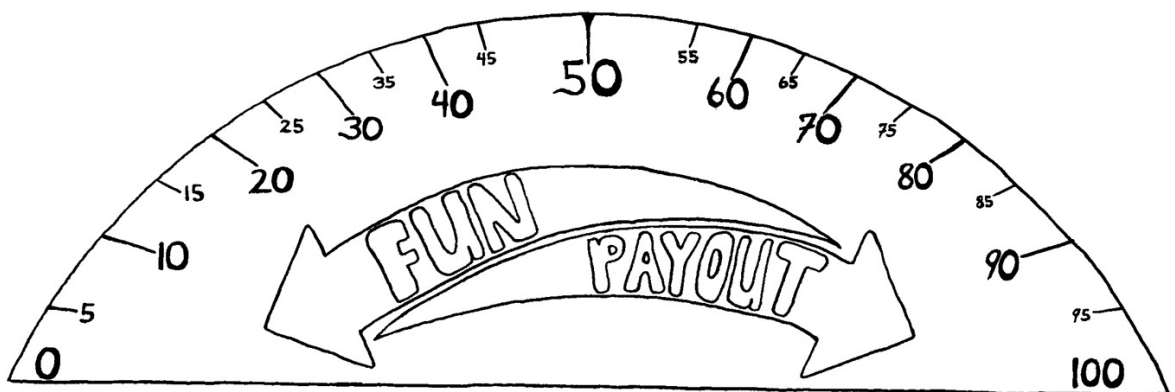
Fill in the spaces below:

10-20% _____

20-30% _____

30-40% _____

Remember that individual game percentages change each time a player starts a new game and so will vary greatly from accounting period to accounting period (week to week). Skilled players will get higher payouts than unskilled ones. Parents will play the kiddie games for their little children, and earn far more tickets than the children would have. That is why a range of acceptable payout percentage is needed for each game, unless it has a fixed payout (which is a requirement in some U.S. states).



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Optimal Game Percentage Ranges

8-12%	Alley	More Fun
15%	Sport Play	More Fun
15-20%	Rolldown	More Fun
20%	Ball Toss	More Fun
20-25%	Kiddie Play	More Fun
25%	Video Redemption	Mostly Fun
25%	Rotaries	Mostly Fun
25%	Cranes	Mostly Fun
25%	Prize Vending	Mostly Fun
25-30%	Pushers	Mostly Fun
25-30%	Coin Shooting	Less Time
25-35%	Novelty	Less Time
25-35%	Reaction / Timing	Less Time
30-45%	Fast Coin Action	Less Time & Fun



MICHAEL C. GETLAN

Michael Getlan is the Director of Enthusiasm and Opportunity! for all of Amusement Consultants Ltd., New Roc Entertainment and Smiles Amusement Co. L.L.C. facilities. Michael is the author of the book “How much is that Doggie in the Showcase?” He is a contributing writer to Playmeter magazine and many other industry trade publications, and a frequent speaker at industry trade shows. As a third generation operator, consultant and avid game player, Michael has a unique perspective on the operational side of the family entertainment center business. He is a past member of the Board of the International Association of Amusement Parks and Attractions and is the recipient of the 2005 IAAPA Meritorious Service Award.

Michael is a member of the International Association of Amusement Parks and Attractions, the Themed Entertainment Association, The International Association of Leisure and Entertainment Industries, and the World Clown Association. He also plays the saw.

"We Create Smiles..."®

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