

IAAPA
Redemption
Seminar
2008

George McAuliffe

Michael C. Getlan

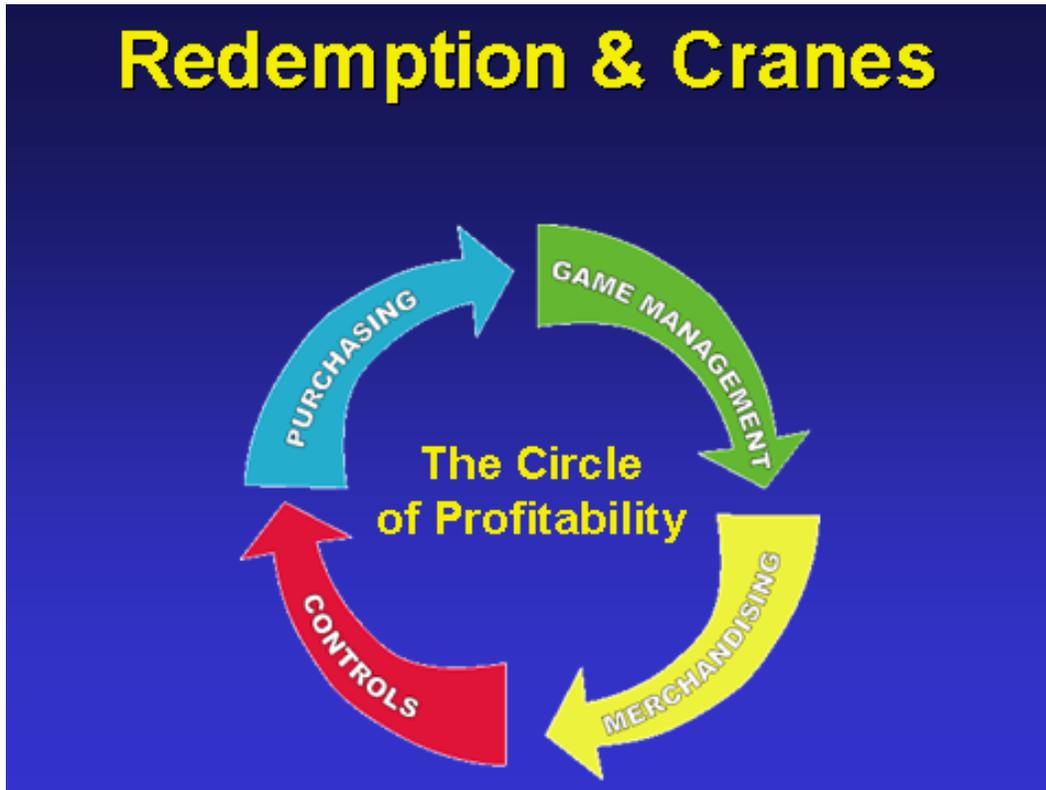
George Smith

Thursday November 20, 2008

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1. Seminar Overview: The Circle of Profitability



Successful Redemption Management involves attention to the following areas, which will be covered in depth in this seminar.

Game Management : Everything to do with acquiring, managing, percentaging, and maintaining games.

Purchasing: Discussion on Merchandise Purchasing, Hot items, Staple items, and systems.

Merchandising: Display-Visual Merchandising of Redemption Center and Prizes.

Controls: Discussion of a “closed loop” system of controls from purchasing to periodic inventory.

2. Controls

Key Concept: Controls to 1) prevent loss but, of equal importance 2) to maximize sales.

Key Controllables:

- Cash
- tokens
- tickets
- game payouts
- tickets redeemed
- markups/markdowns
- merchandise inventory.

“Closing the Loop”: Extending controls over the four areas in the Circle of Profitability.

The Technology of Redemption:

Applying technology to maximize controls: debit card systems, redemption point of sale systems, supplier support of technology.

Using technology to maximize “face time” with customers and on the sales floor while minimizing administrative tasks.

George McAuliffe is a 30 year family entertainment center operator and president of Pinnacle Entertainment Advisors by Redemption Plus.. Pinnacle is an industry consulting firm, and game operator. (www.grouppinnacle.com) . George founded Pinnacle in 1996 and has operated public space entertainment centers from 2,000 to 150,000 square feet including a wide variety of entertainment components and related businesses including bowling centers, restaurants, tourist attractions, ice skating, rides, and laser tag, to name a few. He has operated redemption and merchandise games since 1986, and serves as the Customer Success consultant for Redemption Plus, a leading distributor of redemption merchandise and solutions. Pinnacle’s consulting practice has served new and established family and location based entertainment operators, with clients as diverse as Wal-Mart, Disney, ESPN Zone, Brunswick, and other independent facilities.

Notes

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Display

There are as many different kinds of displays 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!

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?" 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.

George Smith

Industry Magazines

Replay www.replaymag.com
Playmeter www.playmeter.com
Vending Times www.vendingtimes.com

Categories

Cranes/Merchandisers

Games that directly vend an award or prize
i.e. Big Choice Crane Stacker

Redemption

Games that award tickets or points and require customer/retail interface
i.e. Skeeball

Video Games

Games that are played for enjoyment only
i.e. Pacman

Novelty

Unique games
i.e. Air Hockey, Darts, Kiddie Rides, etc.

Major Game Attractions

Large Scale or Price pieces
i.e. Highway 66 Bowling

As of 2007, George Smith has been involved with the amusement and entertainment business for nearly 30 years in many capacities beginning with arcade operator Dream Machine and for 12 years as head of Field Operations and Business Development for Namco Cyberainment the nation's largest amusement operator. He is concurrently operating his own operating and consulting company Family Entertainment Group and as Business Development head of Animaland and Interactive Vending Corporation. He has co-developed games with ICE and E-Ball and has been past President of IALEI (International Assoc. of Leisure and Entertainment Industries) and worked with other industry associations including IAAPA, AMOA and LETS.

Notes
