

Still using tokens? Embedded technology is the newest player in the game

By Susan Geary

If you've been on the fence about converting your arcade machines from tokens to card readers, there's a new game in town to consider. It's the RFID tap card system. Instead of a magnetic swipe card and reader that requires players to slide a card into a slot, now customers can wave a card, (or even their smart phone!) to initiate game play.

Similar to their predecessor - the magnetic card reader - this new and improved embedded technology allows you to track your customers playing habits. It also has flexible features where managers can program the system for timed play during slower hours. The cards make it easier to earn, track and redeem points, and customers can pre-load them with digital tokens instead of constantly stopping the game play to exchange cash for tokens.

According to Frank Seninsky, President of Amusement Entertainment Management, the smart card revolution, allows FEC operators to keep closer tabs on redemption inventory, and "recapture 17 percent of revenue that previously walked out the door through expiring points or unused play," he said. There are no more tokens to purchase, count and load into change machines. And there is no longer the need to stock and redeem tickets. It's all done electronically, faster, and more accurately, while thwarting employee theft

in the process.

Additionally, FECs are able to market to customers who want to hear the latest promotions, events, and news about your facility and its games. You'll already know their favorite types of games and playing habits.

The tap card technology boasts slick new features such as faster payment processing and freedom for your customers to earn and redeem points at multiple locations. Plus they can be integrated with other areas, such as the café, pro-shop or admissions counter.

And Seninsky points out the new technology, whether magnetic stripe or embedded chip brings in a 6-9 percent float versus 1 percent for tokens. Float is the amount of money that goes unspent. People pay in advance and some leave money behind when they don't return to use it on more game play or redemption. And the law requires they have an expiration date for tax reporting purposes.

With the timed play feature, operators can fill their game rooms during slower periods by advertising specials to select customers such as \$10 for a half hour or \$20 for an hour. The system can be programmed for exemptions where the cost of play won't exceed a certain amount. This allows FECs to host a happy hour, add additional attraction options for parties, or perhaps reward VIP customers with free play to thank them for their loyalty.



The most unique feature of the tap technology is its ability to bypass the plastic card altogether, which currently cost the operator about 10 cents apiece. Instead, customers can download your company's app and then wave their smart phone in front of the reader to start the game or check their points level.

Initial and recurring costs

While tokens run about 9 or 10 cents apiece to purchase, there's no way to monitor your customer's gaming habits. They can be used in other game rooms, just as a Chuck E. Cheese token can be used in yours. Plus there's the added expense that comes from employee theft. Meanwhile, the plastic cards run fit nicely in a wallet and you control the locations where it can be used. Initial system costs average

\$1,000 per game to convert machines that accept tokens to a swipe card or embedded chip or app. There is an entire server system that needs to be installed.

Benefits of conversion

Seninsky said operators should expect to see an immediate 15-20% increase in revenue, "if you're running your token system optimally." Other customer testimonials tout an 11 percent increase in gaming revenue shortly after installing the new technology. The overall ROI averages two years depending on the amount of money the machine generates.

Finally, Seninsky breaks it down simply why the new technology spurs spending. "People don't carry much cash anymore." Even young people are carrying plastic cards.

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