Tracking game play maximizes profits

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For the past 44 years my company has been tracking game revenues, redemption ticket payout percentages and merchandiser win percentages on a weekly basis. Why do we invest the time and effort to do this for every game and for every location? The answer is simple: it pays big time to track this information - and take action immediately if anything is out of an acceptable range!

The revenue data shows that even having one redemption game with a too high ticket payout percentage can result in lower overall redemption game revenues as well as overall game revenues. The reason for this should be obvious. Word travels fast when more tickets can be won from a particular game. This 'easy' game becomes the most popular and all of the other games are perceived as rip-offs. The reverse holds true for games that have low ticket payout percentages. The players no longer desire to play these games. The same reasoning applies to crane merchandisers.

A redemption game's ticket payout percentage is defined as [the number of tickets won multiplied by the value of a ticket] divided by [the number of tokens collected by the game multiplied by the average value of a token].

Setting the skill level for the number of tickets won is determined by the entertainment value of each individual game. The higher the entertainment value, the lower the ticket payout percent should be. Entertainment value is the sum of all the elements of fun and excitement a game has, with time per play being the most important.

The ticket value is set by a simple formula factor that calculates the number of tickets (points) that an item is redeemed for based solely on its line item cost (not including shipping and sales tax) to the facility. As an example, if an item's line item cost is 50 cents and your factor is 1.5, than the number of points is 75.

The highest grossing game zones have all of the games precisely balanced so that no one game or group of games stands out as a better deal. At the same time, working within a low range ticket payout of 15 percent and a high range of 35 percent must produce a "redeemed percent" very close to 25 percent. Redeemed percent is defined as [the total number of tickets actually redeemed multiplied by the value of a ticket] divided by [the total revenue of all of the redemption games].

Tracking information also plays a role in game placement within a game zone. Certain games attract players due to their bells and whistles (size, color, lights, sounds shape) and then price/play, time of play, ticket payout percent or win percent apply. Tracking can also help determine games that are not operating properly when there is a sudden drop or increase in revenue, while other games generate at the same revenue ratio to total as they have been for previous weeks.

There are several systems used to collect the necessary information to track your games:

The most primitive is to physically read the games' coin and ticket or prize meters and input these meter readings into an Excel spreadsheet. This method has some drawbacks. Human error can occur in the initial meter reading (wrong meters are read, digits are misread -i.e. 2 misread as a 3 or 5) and/or during the physical input process. Meters can malfunction. Excel cells can have errors.

There are data systems on the market that read the meters automatically through the use of a manually hand held device and then automatically transfers that data to a computer. These systems are used by game route operators where an individual goes to several locations each day. The cost of these systems is not economical for one game room and the system still depends on reading a meter that can malfunction. Coin Connection is the name of one system.

GameAlert is a low-cost wireless and web-based business information system that reads in real time the coin, ticket, prize win, low ticket and low prize game pulses and bill changer data. In addition it provides real time alerts if a coin or ticket is jammed or a bill changer hopper is low on tokens or a bill is stuck. All the relevant reports can be viewed and printed in real time. It is easy to compare games, game categories, and locations and determine which are generating the most profits. The chances of missing a pulse are almost zero so the information is very accurate. For more information on GameAlert go to www.game-alert.com or www.alphaomegasales.com, or call 732-254-3773.

A debit card system collects all of the relevant data in real time and provides many different kinds of reports. Tracking game data is simple and the chance of errors is also minimized. The cost has decreased slightly over the past ten years, but still runs approximately $800-$1000 per game on average.

It usually takes 30 days of weekly "tweeking" (adjusting) each game to the skill level of the FEC's players following the above guidelines. When this is done properly the results can be a 25-50 percent increase in game revenues. With this much at stake, it is a wonder why every FEC or skating facility owner/manager would not take the time to track their games properly and do it on a weekly basis. Or if not on a weekly basis, then at least on a monthly basis.

Amusement Entertainment Management (AEM) specializes in feasibility studies, funding, design and layout of family entertainment centers. AEM did the feasibility and concept plans for award winning Scottie's Fun Spot 18,000 sq. ft. expansion of their roller skating facility in Quincy, Ill. Go to www.AEMLLC.com for more information or email Frank directly at fseninsky@aol.com.

James Holliday (far right), Minister of the First Presbyterian Church in Galeton, Pa. poses with his "small fry skaters" group in the 1960s.
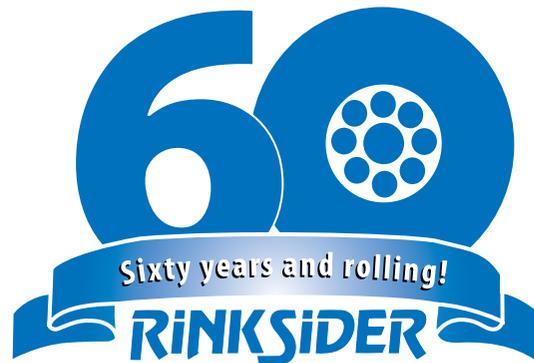
*Reminisce with us as we look back at some of the photos that have appeared in **The Rinksider** over the years. If you can help us fill in the blanks with people, dates or locations, send us an email at rinksider@rinksider.com. Enjoy!*

The Great Leopard Old Timer's Skating Club (Chester, Pa.) in 1959.

Bill Ludascher holds a pair of 1867-69 Plimpton rocker action roller skates. The origins of our business go back much further than 60 years!