



Don't come a hopper cropper

AWP machines should provide a good revenue stream for pubs, but empty coin hoppers can drive income down. **Phil Mellows** looks at how the games industry is tackling the problem

When jackpots doubled last summer from £35 to £70 it should have been a welcome, if belated, boost for pub AWP machine incomes. It was widely predicted that licensees would, on average, find an extra 10% in their cashboxes, adding up to a £100m windfall across the industry.

Yet, while there have been reports that managed houses have increased their machine take by up to 20%, many community tenancies, which not only rely more heavily on machines but really need the break, have seen little difference.

The apparent, and unforeseen, cause of this failure is hopper starvation. AWP machines are programmed to pay out three jackpots in a session, which means they now hold up to £350. If the amount of cash in the box falls below £100 the machine shuts down.

The problem is compounded by note acceptors. According to Ken Turner, managing director of Sceptre Leisure, one of the top two operators in the pub sector, notes now account for at least 60% of money going into machines, shrinking the number of coins available for pay-out.

"Tenanted and freehold pubs have only seen their AWP takes increase

20%
increase in machine
take reported by some
managed houses

by between 2% and 5%, instead of the 10% they should be getting," he says. "That's significant when you realise that 25% of a community pub's net operating profit can come from machines.

"Regular players know when a machine's cashbox isn't full. It deters them from playing and that creates a vicious circle, driving income down."

Sceptre is urging licensees to check hopper levels, and fill them up more frequently, ideally every day. To make the chore easier, it's offering them a free refill key, which shows you how full, or empty, the cashbox is.

How to get your free refill key

For your free refill key (you don't have to be a Sceptre customer) send a stamped, addressed envelope to: Sceptre Leisure, 139 Brookfield Place, Walton Summit, Bamber Bridge, Preston PR5 8BF. For more information, call 01772 694242 or email sls@sceptreleisure.co.uk



But that alone may not be enough. Managed houses have been more successful at lifting their take because managers are forced to fill machines every day. Independent licensees may not have the same discipline - nor, for that matter, the coins in the till.

The Independent Operators Association (IOA) has been keeping an eye on the problem, and is researching possible solutions.

“Bigger managed groups, which have got their refilling nailed down, had a fantastic Christmas, increasing their take over last year in excess of 20% in a lot of cases,” reports IOA national sales executive Ken Mullarkey.

“But hopper refilling is a major problem for tenants, and we've been exploring several angles with machine manufacturers.”

One is “cash in, ticket out”, in which winnings are printed on a ticket that the lucky customer takes to the bar to cash in.

Digital gaming specialist Games Media has the system running on trial in more than 100 pubs, and the



Top tips

Manage your machines properly, and there's no doubt you'll see the rewards. Here's a checklist compiled with the help of Gamestec, Games Media and Scottish & Newcastle Pub Company machines manager Mark Papworth:

- Site machines where they can be seen, near a bar or just inside the door. Don't cram them

together and avoid putting them under a TV. It puts players off.

- Make players comfortable. Give them a table or shelf to rest their drinks.
- Ensure machines are always switched on and working, and that the sound is turned up to attract attention. Keep them clean, and the hoppers filled. Perhaps charge a particular member of staff with looking after them.

- Test note acceptors and that the percentage pay out is correct, as it will deter players if it's wrong.

- Have plenty of change, including £2 coins, in the tills, for people to play with.

- Establish a good relationship with your supplier and report faults and breakdowns immediately.

- Discuss your needs regularly. Look out for the latest games and trial new products to maintain

customer enthusiasm. Ask your customers what machines and games they like to play.

- Keep an eye out for suspicious activity and under-18s around the machines.

- Promote games using any free point-of-sale material provided. Use your staff as ambassadors – make sure they know how to play the machines so they can talk them up.



Cash up: fill with lots of change



Good site: near a shelf for drinks

results have been such that it aims for a "full deployment" of the technology during 2010.

Games Media managing director Andrew Ludlow says that in some cases pubs have increased machine income by 35%, and there are other benefits besides.

"Machines simply need to be emptied, not refilled, which cuts down on staff time spent away from the bar, and the change can be used to float tills. Bank costs are also reduced because the pub is dealing with less change."

James Coxon, leisure machines executive at Marston's Pub Company, which has taken part in the trial, has discovered another benefit.

"The appeal for us is the opportunity for our retailers to get to know their machine players in person," he says.

"They can interact with the customer when they come to the bar to collect their prize and potentially upsell at the same time. Creating a direct link between machine income and wet and dry sales is a huge advantage."

Cash in, ticket out may not be all win-win for the licensee, though. IOA's Mullarkey has his doubts.

"It may not be so good for the licensee when someone comes to the bar on a busy night with £200 on a ticket," he says.

"And there could be security issues. If the machine isn't emptied it might have five times as much cash in the box as normal."

So far, the IOA's "most promising" route is a system that enables machines to pay out in notes. The downside of that could be the expensive technology, but as Mullarkey points out, a 10% uplift in take will easily cover any extra rental.

Another possibility being explored by the IOA is note-changing, where the licensee gets the equivalent in notes back for the cash used to fill the machine.

Gamestec, the largest operator in the pubs market, is meanwhile about to go live with new technology that should also help licensees manage their machines better.

Called i-assist, it builds on and enhances Gamestec's long-running Midas management system.

What licensees think of "cash in, ticket out"

**Marston's tenant
Jo Stretton,
Snibstone
New Inn,
Coalville,
Leicestershire**

"At first, some customers were a bit bewildered when they received a ticket instead of cash, but it didn't take long to catch on.

"Some are choosing to take a drink or even a round out of their winnings, which is a sale we might not have had otherwise.

"There has been a definite increase in machine income, probably double the amount during a really good week.

"And we can interact with our players and enjoy a laugh and a joke with them. It is making machine playing a more sociable experience."

**Freetrader Phil
Bradnam,
Station Hotel,
Oakengates,
Telford,
Shropshire**

"Ours is probably one of the busiest machine pubs in the area and on several occasions we had found the equipment switching

off because there weren't enough coins available. Our customers are much happier now they're working all of the time.

"Ticket-out has meant a few changes for us in terms of how we run the pub, for example, we have to have a large float of around £1,000 to allow for prizes being redeemed. But the benefits outweigh this no end.

"We are handling far fewer £1 coins, which cuts down on banking charges and is more convenient."



Inspiration Galore

**The Harpers Wine Seller -
The first port of call for the on-trade**

"The Harpers Wine Seller was a great new innovation at this year's Restaurant Show, a compact area dedicated to wine, with plenty to taste in a relaxed setting."

Peter McCombie MW

Organised by

William Reed
BUSINESS MEDIA

Supported by

**Harpers
Wine & Spirit**

To reserve an area, call the sales team on **01293 610329**
or email **TRSales@william-reed.co.uk**

To register to visit, go to **www.therestaurantshow.co.uk**



Earls Court 2
**the restaurant
show 2010**
11-13th October