

The arcade loyalty scheme

Lee Wild discovers if redemption continues to be the money-maker it once was for arcades and what players love about tickets

THE king of the arcade, an operator's best friend and one of the most unique parts of the arcade industry – whatever you call it, redemption remains a crucial part of the overall FEC experience.

From its first emergence in the US in the late 1980's, to its growth in the Middle East this side of the millennium, wherever redemption arcades find a foothold they seem to dominate. The allure of the games, mixed with the thrill of winning tickets and the chance to win a prize thanks to your expert skills all add up to create something that is greater than the sum of its parts. There truly is magic when it comes to these games.

Maybe it was fortuitous timing, or maybe it filled the gap left when the video arcade declined in popularity, but the impression it made on the industry over 30 years ago has remained as strong ever since.

One of the most famous names in the redemption game is the Buffalo, New York, US-based manufacturer ICE Games. Recognisable from arcade favourites like Whack N Win, Tons of Tickets and the timeless Cyclone, ICE's Ryan Coppola says that the redemption genre continues to bring in the players like it always has. "Redemption is still the king of the arcade from both an ROI standpoint and from an overall game mix standpoint," he said. "When you look at the breakdown of different types of games, most FECs today are predominantly redemption and we do not foresee that changing. If anything, it will only get stronger."

With such a strong position in the arcade market, companies are constantly innovating to offer operators the latest and greatest games, as well as something new to bring in a crowd. National distributor Player One Amusement



Group's CEO, John Kolliniatis, says that: "Newer styles of redemption games such as the extra-large prize games, prize pushers, ticket games and games featuring popular IPs like emojis, cartoons and movie characters are skyrocketing redemption's popularity."

"One of the most beloved game types at an arcade are redemption games. Whether it is a prize machine or crane where players attempt to grab or win a physical prize located in the game, or a ticket redemption game that allows players to accumulate tickets they can use in exchange for a prize of their choice at a redemption counter, a variety of redemption games is essential to any arcade space."

Cory Haynes knows a thing or two about redemption, having started in the industry years ago with the worldwide chain Dave & Buster's. Now, as founder of Amusement Source International, he continues to supply some of the latest and greatest redemption games to arcades across the US. He estimates that more than half of all revenue in an arcade and FEC comes from the redemption arcade. "Redemption still drives over 60 per cent of amusement revenue," he said. "If you set your payouts correctly, set the value of your ticket fairly and price your merchandise accordingly, it is still very profitable."

Another company with a vast redemption offering, Sega Amusements International, agrees that these types of games continue to be a favourite of many arcade patrons. "Redemption is still a core part of the arcade mix," explained the company's sales and marketing executive, Lester Travasso. "Redemption games offer such a wide variety of gameplay and provide players with choice, novelty and entertainment that they can enjoy with family and friends."

One of the industry's most famous manufacturers, Elaut, which is celebrating its 65th anniversary this year, says that the pushers

Crazy for cranes

WHILE the traditional redemption arcade has been a staple of locations for many years, a new format is popping up across the world.

First popularised in Japan, before spreading across Asia and now finding a foothold in the US, the crane arcade has become a beacon of light for operators across the world.

These locations cut out other machines and focus solely on cranes, with rows upon rows of games stocked with the latest and greatest prizes – primarily anime and manga-inspired plushes imported from Japan.

John Kolliniatis from Player One Amusement Group said: "Redemption games are so popular that a new type of arcade has emerged over the last few years; the crane arcade. These locations are filled exclusively with a variety of prize cranes where players can not only win a bunch of small prizes, but they also have redemption counters allowing players to trade several small prizes in for one large prize."



it manufactures are now more popular than ever. The company's international sales manager, Stefaan Vaerewyck said: "If you consider pushers under the category of redemption, my answer is yes – they are even more popular than before and still make good money."

"The Wizard of Oz was the trendsetter and is still making big bucks for operators."

PRODUCT SPOTLIGHT

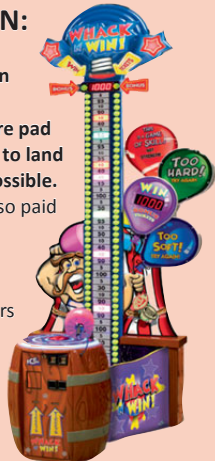
WHACK 'N' WIN: ICE GAMES

A CLASSIC redemption game in every sense.

Players hit the pressure pad with the correct force to land on the most tickets possible.

Bonus tickets are also paid out should the player land in the correct highlighted spot.

The tall game garners attention in any venue and is available in 9ft and 11ft versions.



PRODUCT SPOTLIGHT

POWER ROLL:

SEGA AMUSEMENTS INTERNATIONAL

ANOTHER traditional midway-style game that sees player's temper their release to land in the correct spot, Power Roll is a favourite of many.



It is a 100 per cent skill game, which features simple pull and release gameplay. The brightly lit cabinet is eye catching and draws in players from across the arcade.

UK-based United Distributing Company first championed redemption as a concept in the 1990s, offering some of the finest machines of that era. It is something that has endured to this day, with a number of products available that will see families walking around with bundles of tickets in their arms. Sales director Jonathan Lauder explained: "Our customers are very happy buying redemption equipment and there continues to be great demand for it."

"We have strong sales of video games that offer the ability to be operated both with and without tickets, providing their own entertainment such as shooting, bowling and driving games, allowing tickets to be used if desired, as well as 'pure' redemption games where the main objective is to win tickets, such as the LED Carnival Wheel."

The director of marketing at US-based distributor AVS Companies, Keith Krail, says that redemption is now so popular that operators are testing out new technology that would see them do away with attendants all together, moving to an unmanned arcade where players top their game cards up and redeem their prizes at unmanned kiosks. He said: "Redemption is still king and continues to provide greater revenue for locations that opt to include it within their game room."

"Some locations are now opting for redemption integration without attended redemption counters and are going instead with unattended machines like Bay Tek's Prize Hub. As always, redemption makes up the bulk of equipment in a standard game room installation."

FAN FAVOURITE

Having been so popular for so long, the concept must be doing something right. Whether it be the allure of tickets, the prize at the end of it, or simply just some well-designed games, redemption continues to be popular with those who visit arcades.



Nickel City Xtreme's AVS-supplied arcade



ICE's Tons of Tickets

Geoff Spencer, sales for UK's Harry Levy, puts it down to the sense of achievement such games can give you. "Children find a sense of achievement in these games," he said, "and collecting tickets is particularly exciting for them. The concept of saving their tickets to earn bigger prizes is something that they can easily understand and enjoy."

The sales and marketing manager at Electrocoin, John A Stergides, agrees. He said: "Kids and families love playing games and being rewarded for it. Being able to exchange their winnings for prizes creates a memory from their day out and gives them just that little bit more."

"Young children who win hundreds of tickets – it's the best thing in the world to them. It enhances a player's experience."

The ticket phenomenon is one that Kolliniatis agrees with. He said: "Redemption games are popular because they provide the fun sensation of anticipation wondering where the action will land,

the hope of a big prize and the thrill of winning. Players of all ages love to be able to be the winner and to have a physical item as proof of their skill."

"Children love collecting tickets when playing redemption games because it allows them the opportunity to choose their own prize at the redemption counter, which provides the feelings of control and self-determination, both essential parts of growing up."

Vaerewyck from Elaut also agrees with this. He said: "Tickets are part of the experience when you see kids walk around with a large pack of tickets, you can see on their faces that they are proud as they won a lot."

"It is like a competition and if they have the most tickets, it seems more important than the prize they can win."

According to Travasso, games that offer immediate enjoyment are the most popular at the moment: "We are seeing quick-play, skill-based games like Power Roll lead the income charts at the moment, but also, sports redemption games like World Football Pro continue to attract players due to their interactive nature."

PRODUCT SPOTLIGHT

E-CLAW 900 SERIES:

ELAUT

AN arcade favourite for a reason, the Elaut E-Claw can be found just about anywhere where redemption arcades exist.

Offering an immediate prize for a successful play, the large and bright cabinet can be filled with a range of merchandise to draw players in.

Elaut's experience and robust manufacturing ensures minimal downtime and a smooth and enjoyable crane experience.



Amusement Source International's new holographic roller, Zombi Rolling

Coppola of ICE believes that there are a number of factors in play when it comes to the popularity of these games.

"There is definitely an adrenaline rush that comes from playing a quick play game," he said. "The feeling of knowing that you win or lose in a matter of seconds always adds an element of fun."

"With skill games there is popularity behind it from the standpoint of the player feeling like they are in control of the outcome of the game. This makes for good competitive nature amongst friends or family in an arcade setting. Plus, with many of these games it's honestly more about the fun competition than even winning tickets."

Seeing a game you've just won at spit out a reel of tickets, or watching the number go up as the points are transferred to a play card is a core memory for many people and Lauder from UDC says that it remains a draw to this day, even in the era of smartphones and other advanced technology. "Having something physical in your hand makes the reward feel more real," he said.

PRODUCT SPOTLIGHT

PEARL FISHERY:

UDC

PEARL Fishery remains a favourite with arcade operators thanks to its under-the-sea themed gameplay, says UDC.

Players insert their credits and time their presses to release pearls onto the playfield. Dropped pearls trigger bonus targets which award redemption tickets, while all pearls over the edge also win tickets.

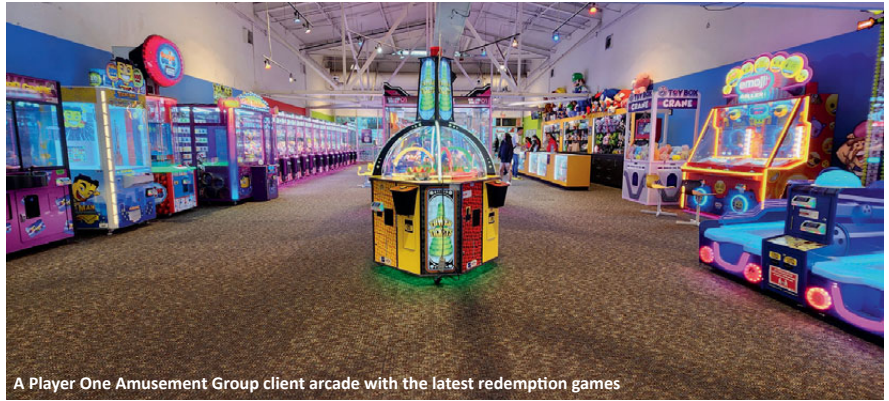
Available in a three-player set up, the cabinet features an attractive design and can accommodate a super bonus topper.



"Tickets put you on the path to prizes and it's the ability to save up and collect the prizes which makes it preferable over winning a small prize from a machine."

"A group of friends or a family can pool their tickets and choose a bigger prize. Making sure that no one goes home empty handed after spending time and money is a big part of the success of redemption."

"Arcades make sure that their prizes cover the entire spectrum from small prizes right through to highly desirable big-ticket items such as the latest tech, games consoles, even e-bikes, scooters and domestic goods. When playing games the window shopping for prizes aspect shouldn't be under appreciated – arcades spend a great deal of time and money making sure that



A Player One Amusement Group client arcade with the latest redemption games

the prizes on offer will hook their audience and are displayed to maximise appeal."

Innovation continues in the redemption space, with Haynes telling *InterGame* that Amusement Source International has recently been contacted by a US-based operator to develop the next step in redemption technology – a holographic experience game. He said: "We worked with one of our factory partners to create a new holographic redemption game called Zombie Rolling."

"We'll be 'rolling' it out at Bowl Expo. It is a lane roller, where players roll a ball up a lane to try and knock out holographic images of zombies, which are making faces and taunting the player. It's a lot of fun and a real eye-catcher."

WORLDWIDE PHENOMENON

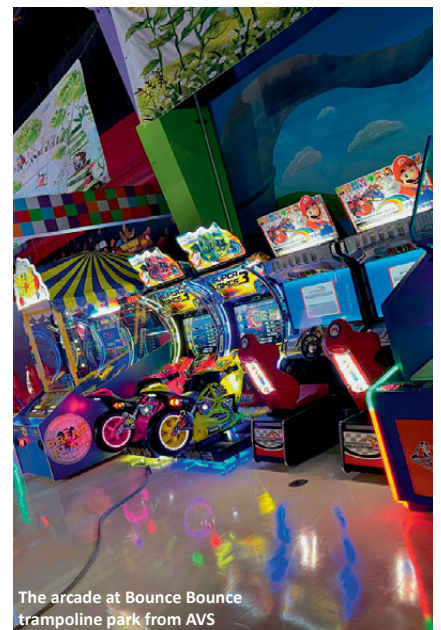
Despite its undoubted popularity, redemption doesn't yet have worldwide acceptance. How it is treated in different cultures varies across the world. In the US it is handled on a state-by-state basis, seen as the money-maker of the arcade in some of the country and regulated heavily in others. In some parts of Europe, it is restricted and treated almost like gambling, with laws prohibiting it in some jurisdictions. For example, in Italy it remains in limbo. Games that do not dispense tickets can operate without homologation in the country, but the majority of ticket dispensing games are forbidden. France banned the practice back in the 1960s and hasn't wavered much from that position over the past 60 years. Unusually, the Middle East, which has more traditional and conservative values than other parts of the world, embraces redemption, with arcades across the region packed with the latest and greatest games, as well as a wide range of prizes.

ICE's Coppola says that redemption has an unjust mark against its name in some places. "There are certainly some markets that have been challenging and difficult for no reason," he said. "Redemption games are the ultimate family fun games of any FEC or arcade. There is no need for some of these jurisdictions to view it any other way."

"In some markets redemption has 100 per cent been unfairly prevented from reaching its potential by poor regulation and lack of governmental understanding."

Lauder from UDC highlights the problem of differing regulation as one thing that is holding redemption back. He said: "It's unfortunate that some territories are prevented from embracing redemption due to blinkered legal rulings."

Redemption isn't seen as gambling in the US or across the Middle East, two regions where prohibitions upon gambling in general are rife, so it's difficult to see what makes some European



The arcade at Bounce Bounce trampoline park from AVS

PRODUCT SPOTLIGHT

ANGRY BIRDS:

HARRY LEVY

ACTUALLY a range of products featuring the Angry Birds licence, Harry Levy highlights this as a line that has done remarkably well for the company over recent years.

Comprising of a range of games including a whacker, a roll down and a coin pusher, these products have remained popular thanks to a strong licence.

Geoff Spencer said: "This evergreen licence consistently retains its popularity due to its broad appeal and engaging gameplay."



PRODUCT SPOTLIGHT

TICKET CHAMP:

AMUSEMENT SOURCE INTERNATIONAL

A TWIST on the traditional ball toss game, Ticket Champ continues to perform well for Amusement Source International.

It features nine fixed targets which tests the players' accuracy and has different sized scoring holes depending on the level the player reaches.

Two cabinets can be combined to double the fun and encourage competition between players.



countries anti-redemption in principle. Their objections could be solved by other means,

such as going after rogue operators rather than banning an entire sector of amusements."

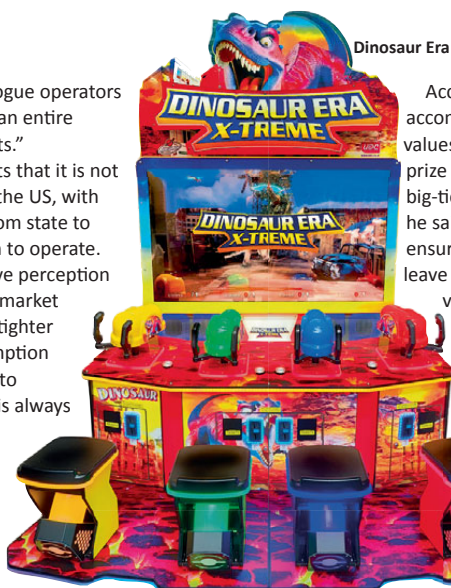
AVS' Krail highlights that it is not all smooth sailing in the US, with regulation varying from state to state making it tough to operate. He said: "The negative perception still lingers in the US market as some states have tighter regulations on redemption machines compared to others. The concern is always skill versus chance. No matter what, good ethics should always be shown by the proprietors of arcades with how they manage their machines and their prizes and winnings for their guests."

Stergides of Electrocoin agrees with the others, saying that redemption should be seen as a reward scheme, like air miles or credit card bonuses are, rather than as gambling. He said: "I think it's governments who don't understand. When you go shopping or buy a flight with airlines you're rewarded for your loyalty to them. Redemption is just a form of loyalty and I don't think they have that understanding. At the end of the day, they're going to play the game and enjoy themselves – this way they just get rewarded for playing."

He even admits that the tickets themselves are a lure for children, saying that he has had guests at arcades whose favourite game is the Galileo ticket eater. "They get to feed them in, watch then get scrunched up and the noises that come out of the machine are enjoyable for the kids."

EYES ON THE PRIZE

The real driver behind redemption has to be the prizes. Having an enjoyable game is important, but a lot of the time it is the prizes that motivate players to continue pouring coins into the machines. Whether it is a small plush or toy that may only cost the operator a few pence and satisfy a child, or a more premium electronic device worth many tickets that older players will save up to afford, these prizes are an incredible motivator of play.



Dinosaur Era X-Treme four player from UDC

According to Krail at AVS, accommodating prizes of all values is important in a successful prize store. "A mix of small and big-ticketed items always works," he said. "The smaller prizes will ensure that guests will always leave with something from their visit to the arcade, but the bigger ticket items ensure they come back again and again."

According to Spencer at Harry Levy, branded products are the most popular with players at the moment. He said: "Operators report that it is beneficial

to offer a wide range of quality prizes with high perceived value. Branded items are particularly appreciated by players, but there must also be plenty of options for smaller, more immediate wins to cater to all preferences."

PRODUCT SPOTLIGHT

BAR X DIAMOND TICKETS:

ELECTROCOIN

TAKING inspiration from Electrocoin's other Bar X products, Diamond Tickets was launched at ICE 2024 in London, UK.

John A Stergides says: "We see a lot of parents playing this and they can win a lot of tickets."

"It's doing very well for us at the moment."



Amusement Source International's Haynes says that getting the payout ratio correct is important when it comes to prizes. He said: "It's imperative, if people don't feel like they are winning then they will not return. During my days at Dave and Buster's we developed an entire Excel workbook to tracking payout and cost of goods at the Winner's Store. We tracked every player position and payout and took that calculation to get our cost of goods."

"Maintaining a fair payout and pricing of your redemptions items correctly is the key. Too many times I see centres price the merchandise too high and squeeze payouts to the point customers don't feel they are getting a good value. Something similar would be using an inferior ground meat and charging premium prices for your hamburgers. People will notice the difference."



ICE's Monopoly Roll-N-Go



An AVS arcade at Bavarian Inn Lodge, Michigan, US