

# OCCUPANCY & BENCHMARKING

Presented by Brian Cook



ARISTOCRAT GAMING™

**AIM:** To maintain a “Balanced Installation”

In broad terms...

<b>Install %</b>	<b>:</b>	<b>T/Over</b>	<b>:</b>	<b>Net%</b>	<b>:</b>
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i.e., in close ratio

# EGM OCCUPANCY

## Inputs

- Games played
- RTP %
- Average bet
- Average time per game played
- Venue trading hours



# EGM OCCUPANCY

The generally accepted maximum number of games played is 500 per hour (7.2 seconds) on average.

Individual venues can +/- this game play rate based on their experience.



# EGM OCCUPANCY

So, what's the big deal?

Is it possible that a venue could install additional games that are only earning 80% of the floor average?

Is it possible that a venue would not install additional games that are earning  $> 120\%$  of the floor average?

# TIME IMPACT

Net Win \$250/day

DENOMINATION	HOLD	AVERAGE BET	GAMES PLAYED	TIME PLAYED
Low (Feat. Games)	5%	0.70c	7,140	14 hours
Mid	9%	\$1.20	2,310	4 hrs 30 mins
High	7.5%	\$3.50	950	1 hr 50 mins
Multi-Denom (legacy games, (Stand-Alone)	13%	0.70c	2,750	5 hrs 20 mins

# BOTTOM LINE IMPACT

Which category is likely to increase the bottom line?

- 90% occupancy and 80% of floor average earnings
- 20% occupancy and 150% of floor average earnings

# BOTTOM LINE IMPACT

Which category is likely to increase the bottom line?

- 90% occupancy and 80% of floor average earnings

- Peak and off-peak play
- Additional games impact
- = more play from additional players
- = additional spend
- = straight to bottom line
- Minimal transfer of play



# BOTTOM LINE IMPACT

Which category is likely to increase the bottom line?

- 20% occupancy and 150% of floor average earnings

- = no off-peak play
- Few players
- High bet per game
- Additional machines spread existing play
- Average earn per machine drop
- Player spend the same
- No impact on bottom line



# PLAYER & GAME SEGMENTATION

# GAME CHARACTERISTICS

## Win Frequency

The average number of “games” played per win

## Average Win

From the game “math” – the total amount won by the player, divided by the total number of winning games

The greater the win frequency the lower the value of the average win.

# GAME CHARACTERISTICS

## Average Bet

Turnover divided by the games played

## Win-to-Bet Ratio

The average win divided by the average bet

High win-to-bet ratio games have low game-win frequencies.

# RTP = OVER THE LIFE OF A POKER MACHINE



## The Payout Distribution Defines The Customer Experience.

<b>Payout Distributions For 3 Slot Machines</b>					
<b>SLOT MACHINE 1</b>		<b>SLOT MACHINE 2</b>		<b>SLOT MACHINE 3</b>	
<i>Payout</i>	<i>Hits</i>	<i>Payout</i>	<i>Hits</i>	<i>Payout</i>	<i>Hits</i>
0	566,966	0	879,816	0	726,817
2	296,827	2	300	2	128,924
5	20,624	5	300	5	14,256
10	50	10	300	10	9,840
25	50	25	400	25	2,400
40	50	40	400	40	800
50	40	50	500	50	500
100	30	100	800	100	320
150	25	150	600	150	240
180	20	200	400	200	180
200	15	300	400	250	240
300	12	500	300	300	100
400	10	1,000	200	500	50
500	8	2,000	10	750	32
1,000	5	3,000	6	1,250	24
1,200	3	5,000	3	1,500	12
100,000	1	10,000	1	2,000	1
<i>Cycle</i>	884,736	<i>Cycle</i>	884,736	<i>Cycle</i>	884,736
<i>Hits</i>	317,770	<i>Hits</i>	4,920	<i>Hits</i>	157,919
<i>Payback %</i>	94.50%	<i>Payback %</i>	94.84%	<i>Payback %</i>	94.66%
<i>Hit Freq.</i>	35.92%	<i>Hit Freq.</i>	0.56%	<i>Hit Freq.</i>	17.85%
<i>V.I.</i>	175.57	<i>V.I.</i>	43.64	<i>V.I.</i>	21.04

# GAME SEGMENTS

**5 DRAGONS™**



appears on  
reels 2, 3  
and 4 only.

50	5
10	4
5	3

**SCATTER**



PAY LEFT TO RIGHT.

					
5 1000	5 800	5 800	5 300	5 300	
4 100	4 100	4 100	4 50	4 35	
3 50	3 35	3 30	3 20	3 15	

					
5 200	5 200	5 100	5 100	5 100	5 100
4 30	4 20	4 15	4 15	4 15	4 10
3 10	3 10	3 10	3 10	3 5	3 5

# GAME SEGMENTS

# INDIAN DREAMING

**WIN 20, 15, OR 10 FREE GAMES WITH 3, 4, OR 3 SCATTERED WINS RESPECTIVELY.**

MULTIPLY YOUR WIN BY **33** AND/OR **35** WHEN SUBSTITUTING IN A WIN ON REELS 2 AND 4 RESPECTIVELY. THE NUMBER OF WAYS DURING THE FEATURE IS THE SAME AS THE NUMBER PLAYED UPON ENTERING THE FEATURE. FEATURE CAN BE WON AGAIN DURING FREE GAMES.

Symbol	1 CREDIT	5	4	3
Indian Head	2500	1000	500	
Wolf	2000	500	100	
Owl	1000	300	100	
Tomahawk	1000	100	50	

**TEPEE**  
SUBSTITUTES FOR ALL SYMBOLS ON REELS 2 AND 4 ONLY.

**SCATTERED DREAM CATCHER**  
1 CREDIT  
5 50  
4 20  
3 5

**243 WAYS TO WIN**  
FOR ALL SYMBOLS EXCEPT WOLF AND OWL:  
3 WAYS FOR ALL SYMBOLS ON REEL 1  
9 WAYS FOR ALL SYMBOLS ON REELS 1 & 2  
27 WAYS FOR ALL SYMBOLS ON REELS 1, 2 & 3  
81 WAYS FOR ALL SYMBOLS ON REELS 1, 2, 3 & 4  
243 WAYS FOR ALL SYMBOLS ON ALL REELS  
OWL AND WOLF ARE NOT ALLOWED ABOVE ANY OF THESE LINE ONLY.

INDIAN DREAMING ©1999 ARISTOCRAT TECHNOLOGICALS BERTHOUDLIN BV LIMITED. PLAYER IS RESPONSIBLE TO CONFIRM CREDITS REGISTERED BEFORE GAME START. MALFUNCTION VOIDA ALL PRIZES AND PLAYA.



**Saturation Point** - When additional units of an EGM title/denomination/type does not generate incremental revenue growth. e.g.

UNITS	TURNOVER (AV)	TOTAL
6	\$12,000	\$ 72,000
8	\$14,000	\$112,000
10	\$14,000	\$140,000
12	\$12,000	\$144,000
14	\$10,300	\$144,200
16	\$ 9,000	\$144,000

**Benchmarking** - “benchmarks” are a set of goals/aims/measures of an EGM performance based on an **arbitrary KPI**. e.g.,

- Turnover
- Win per day
- Occupancy (time)
- Occupancy (%)
- Peak and off-peak demand



# PLAYER PROFILE

Remember - it is the right

**RANGE OF GAMES & 'EXPERIENCE' IN PLAY**

not just 'READING' a ranking report  
that will optimise EGM venue earnings.

# SUCCESS

If success in NSW Club gaming is 'the bottom line' then;

- Profit is driven by turnover
- Turnover is driven by patronage
- Patronage is driven by visitation(s)/Occupancy

**In a repeater market you need repeat business !**

Continued success and growth occurs where **expectation** is matched by **experience**.

To be 'In the game' you need to address:

Tangibles & Intangibles

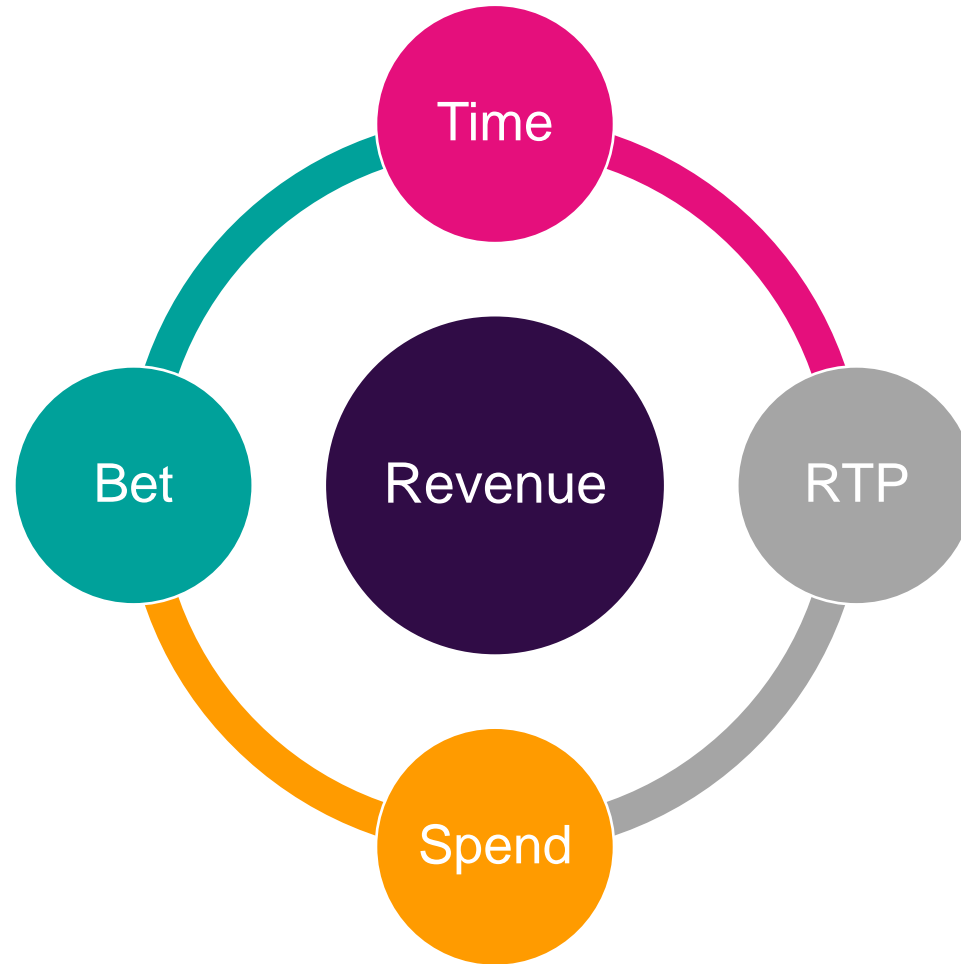
1. Basic requirements
2. Point of difference - offerings
3. Custom(er)/tailored gaming solutions

# CUSTOM(ER) GAMING SOLUTIONS (PRODUCT SEGMENTATION)

There are typically three player groups:

1. “I have a good time”  > \$
2. “I have a good run for my money”  = \$
3. “I have some good wins”  < \$

# THE MAGIC CIRCLE



# CONSIDER THESE QUOTES...

“The answer to the question - What makes a good game?

Depends on who you ask... and at what stage of their gaming visitation”

“Great, I Won!”

“Lousy, I lost my money in 20 minutes”

“Yeah okay; I didn't win but I had a great run for a couple of hours”

All typically of current experiences.

Today, games struggle to attract new audiences because consumer expectations are higher than ever. Competition for discretionary spend is vast, and continual increases in avenues in which to gamble.

“Look at slots as a launching pad for each player's (individual) 'Gaming Journey'. It's where great battles are fought against long odds, and losses are simply obstacles to overcome on a path to a players' desired destination.”

“Can’t Bank Stats”  
“Drive the bottom Line”  
“Its like golf; NOT ‘How’ Just How  
Many!!!

By taking multiple pictures of your gaming installation, it allows many more pieces of the gaming puzzle to become clearer!

They say.....”a picture paints a thousand words”

.....and for gaming its easier to solve a installation puzzle if you have the picture on the lid of the box

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## Typically:

<b>(i) Time &gt; \$</b>	<b>(ii) Time = \$</b>	<b>(iii) Time &lt; \$</b>
Small stake rate	Mid Stake rate Higher Av bet than (i)	High stake rate
Small spend per visit	Mid-range spend Av spend higher than (i)	High \$ spend per visit
Long play time	Medium play times	Short play periods
Visitation high	Medium visitation	Visitations vary to \$/Bank
High Re- Investment	Medium Re - Investment	Volatile Redeems vs losses
Older woman	Wide range, both sexes	Younger male
Small denom player	Cross-section in denoms	High denom player
Predominately 1c	Denom varied (migrates)	Predominately \$1

**AIM:** To cater each Group's expectation with what they experience!

**“Look from the outside in”**

**Consider:**

- Denomination vs. RTP
- Volatility
- Product type/Mix (lines, standalone, SAP, 2nd feature, Ante Bet etc.)
- Occupancy Rates (DOTW, times, peak and off-peak demands)
- EGM locations (category assignment, product mix)
- Venue Demographics (it's hard to see who is not playing)
- Availability (Multi-Denomination/Multi-Game EGM's)
- Cost Effective 'Migration'

# CONTRIBUTION ANALYSIS

Install %	T/Over:	Net%
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Volatility	vs.	RTP
WPD	vs.	T/Over
Popularity	vs.	Profit
Occupancy	vs.	Benchmark
Peak	vs.	Off-peak

# TRENDING

## ONLINE COMPETITION

- Virtual Casino – Tables, Slots, Poker
- Social Casino
- Horse Betting
- Sports Betting
- E-Sports
- Fantasy Sports

## VENUE BASED SLOTS

- Base game variety (licensed, themed)
- Free Games (multiplier)
- Bonus Features
- Jackpots (random, symbol driven)
- Multi's – Line, Denom, Games
- Player Selectable options

## PENDING

- Skilled Games?
- Apps?

## WHAT DO YOUR PUNTERS WANT?

1. Bigger Wins
2. Time on Device
3. Wider method of winning
4. Enhanced entertainment

# TRENDING

## TARGET MARKET

We know:

- Millennial
- Gen X
- Gen Y
- Baby Boomer

But have you heard of:

- **PROSUMERS** Those who seek to self tailor, self-serve , self design, ‘select of their terms’ what and how they consume product and experiences
- **NETTELS** Not enough time to enjoy life
- **TWITS** “teenage woman in their thirties”
- **DOWNAGERS** Over 60’s “who do not intend to retire” e.g. ‘Grey Nomads’ slogan growing old disgracefully

# SUMMARY

In a repeat customer market, success is derived when –

**Expectation** has been reinforced by the **Experience**

As per “The Field of Dreams”,

“Build it.....and they will come!”



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**ARISTOCRAT** GAMING