



# Family Fun Companies Inc

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## **ARE YOU PERCENTAGING YOUR REDEMPTION GAMES CORRECTLY??**

### **DO YOU KNOW THE PERCENTAGE EACH GAME IS PLAYING OUT?**

### **WHAT IS THE AVERAGE OF YOUR PAYOUT FOR THE ENTIRE ROOM?**

These are questions you need to know to properly maximize the income in your location. If you do not know this figure, then you are missing out on so many levels.

Many operators become nervous talking about this topic. Maybe it's because no one ever discussed this matter with them in detail. Maybe it's because they do not know how to adjust payouts on the various games. No matter the reason, it is vital you get a handle on this or you will not make the money you should be making. You will also be robbing your players of maximum fun!!

The rule of thumb that works best to maximize your income is a payout average of 30% to 33%. Some games will payout more (Cyclone for example) and others will pay out no more than 18% (alley games). The key is to average in the low 30's. If your location is more transient, then set your average payout in the mid-to-high 20's.

To figure your percentage of payout, use this simple rule. 7 to 8 tickets come out with every quarter/token in. This pays out 28%. Go to 9 tickets to bump up the percentage a few ticks. Also, learn the setting on the individual games. You need to know how to manipulate the game to maximize its revenue for your location. For example, on our Fortune line of games, if you lower the Jackpot setting to start at 50, the average payout will fall into the 28% to 29% range. Just this simple change has a dramatic impact on the game's payout.

Many of the operators we speak with say they can't afford to payout that type of percentage. They think it is way too high!!! Nonsense, I say!! You can easily be in the low 30's for a payout percentage, as you should be marking up your prizes 2 to 2.5 times the cost you pay for them. This gives you a great profit margin and it keeps your prices well in line. You must also keep in mind you will have from 12% to 18% of your tickets walking out the door, never to be redeemed. Many operators completely forget about that percentage. In all our years, we have never seen the same number of tickets redeemed as we paid out. The tickets get washed in the player's pockets, they lose them, the family moves away or they came in from out of town on a family visit, not to return until next year.



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The key point I am trying to make is do not be afraid to payout tickets. You more than make up for the payout by marking up your prizes correctly and not all tickets will be redeemed. Test each game to make sure you are paying out the right amount of tickets. Do not be afraid to play the game 50 times to see just what the payout is. You will be pleasantly surprised how your income will increase once you spend the time on each game to get the payout right.

Remember one thing, the more tickets a kid is holding, the happier they are, the happier their parents are, the more your other customers will see that they can win that amount as well, and thus the more income you will be making each week.

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