Aligning online with offline

UK regulator's move on credit card payment online should mean a rethink for offline rules, writes Euromat president *Jason Frost*

THE announcement that the UK Gambling Commission launched a consultation on the use of credit cards in online gambling, with the possibility of banning their use, is welcome news.

It also highlights the persistent disparity between the online and offline worlds and the need to bring the two sectors into alignment.

Indeed, allowing credit card payment in the easily accessible online market, where there are no limitations on stakes and prizes, seems remarkably relaxed compared to the tough restrictions in place on the offline equivalent.

Having restrictions in place for credit cards is clearly the right thing for the player, but I hope that when the UK looks at this issue for online, it will also reflect on the payment options available to the offline player. Credit cards are clearly a problem (e.g. they are a clear sign that a player cannot immediately afford the bet that they are placing), but this does not mean that cash payment is the only safe option. In fact it's quite the reverse: as consumers increasingly use digital wallets in their day-to-day retail experience, they are migrating to payment technology, which gives the player a much higher level of personal control over spending limits as well as effective self-exclusion options. The predominance of cash is diminishing across Europe, with deeper and faster penetration in western Europe. Bearing that in mind, our industry needs to get ahead of these developments by working with regulators to come up with viable payment alternatives that will keep our offer relevant to the player and ensure that they are well protected.

Euromat has been invited to address the annual conference of the Gambling Regulators European Forum in May on precisely this subject. We will be using this platform to make the case for solutions that will ensure outcomes that are beneficial for everybody.

In defence of the list

Picking the right attractions for your site can be daunting, so taking a moment to decide upon the best decision-making practices can go a long way, writes *Frank Seninsky*, CEO, Amusement Entertainment Management

I'M a big fan of lists and spreadsheets. There are few problems that can't be solved by putting all the pros and cons for a decision down on a spreadsheet, weighing them all out, ratio balancing them and coming to the most reasonable conclusion.

Let's try this out with wind tunnels, which have been picking up some momentum in the last couple of years and this approach to decision making works as well here as it does with everything else.

The first thing to look at is the cost of each potential attraction and next, the square footage it takes up and required height. Third is throughput - how many people per hour can participate in the attraction? For one-player games, the answer, obviously, is one at a time. Then we get into average time per play and utilisation rates per hour. In all cases, you need to ask yourself, will the annual revenue versus the cost to purchase and install the attraction or game justify its footprint space and give you a reasonable ROI? It's in the details.

Next, consider how long it takes to outfit a rider or player, brief them and queue them up. It is important not to forget the labour costs, including training, cross training and benefits.

Now, although an attraction may have a low throughput, like a simulator holding two riders, keep in mind one of the most commercially promising aspects of an attraction is spectator appeal - how visible the rider is. You have someone floating metres in the air, the crowd gets excited watching and many then want to give it a go. If the line is too long, they are still very likely to return at a later date to try it out for themselves. Never underestimate visibility.

When you have considered all these elements and have exhausted your list, then take all of this and work out how much revenue would be generated per square foot, including spectator area. In this instance, while the wind tunnel example is very expensive at the moment, as more are installed and the process and the technology are streamlined, we can expect the purchase cost to go down over the next couple of years. They are still in that experimental phase, but that won't last forever.

It takes seven to 10 years for anything in this industry to gain traction. By that, I mean it takes that much time for it to get to a point where 17-20 per cent of operators have it. And then the penetration rate increases sharply.

Lastly, consider if your choice will take revenue away from your other attractions - a notion we call cannibalisation - or add incremental revenue.

Do your homework first. It does pay long-term dividends when done right but you have to start with making that list and then checking it twice!