

ARCADE PROFITABILITY TOOLKIT

The background of the slide is a photograph of an 'Ice Ball' arcade game. The game features two circular targets with concentric rings labeled with scores: 1,000, 2,000, 3,000, and 10,000. Above the targets is a digital score display showing '00' and the text '©YOUR SCORE©'. The game is set against a dark background with blue diagonal accents on the left and bottom right.

***DETERMINE ARCADE
FEASIBILITY & ROI***

partycenter
software



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WE'RE SO GLAD YOU'RE HERE!
LET'S GROW TOGETHER.

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INTRODUCTION

Adding an arcade to your facility is a great way to **drive revenue**. Arcades can function as a stand-alone attraction or complement your overall attraction mix and entice guests to spend more time at your family entertainment center.

Over the years our industry has seen many facilities, large and small, become multi-attraction venues. **Offering multiple attractions** at your family entertainment center allows you to **maximize every square inch** of your property and **boost profits**.

So, if you have space in your facility that is currently underutilized and are looking to add an arcade, or you'd like to upgrade an existing arcade, this is the eBook for you!

We collaborated with Dave Wallace from Turfway Entertainment Management Group, an expert in designing **profitable entertainment centers for this resource**.



Turfway connects the dots for facility owners by offering feasibility studies, design, staffing, training, daily operations, accounting, marketing, and advertising solutions.

In the following pages, we provide information that will **help you determine** what to expect when adding or upgrading an arcade, **projected costs**, **projected profits**, and a link to our newly redesigned **arcade profitability calculator**!

We also address **customer service** and **arcade best practice tips** that will help you ensure and **maximize** the **success** of your arcade.

Be sure to subscribe to our blog for more great content, follow us on social, and join the PCS Community Group on Facebook.

Let's grow together.



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HOW TO DETERMINE ARCADE PROFITABILITY



Whether you're putting together an arcade plan for a new family entertainment center, or simply upgrading an existing arcade, you'll first want to look at **current arcade game cost**, **space allocation**, and **potential revenue figures** per game.

You'll also want to discover what other factors can impact the overall success of your arcade.

The following numbers were provided to us by Turfway Entertainment Management Group, experts in designing profitable entertainment centers.



AVERAGE ARCADE GAME REVENUES PER WEEK

Average arcade game revenues range between **\$200 to \$485 per game per week** on an annualized basis.

However, these numbers really **depend** on the **type of facility** you operate and how you **present or market** your attraction-mix to your target demographic.

ASK YOURSELF:

- **How many games** do you have or want to have? What is or will be your **game-mix?** (Redemption, direct pay, video, VR.)
 - *How new are your games? Are they relevant in today's market?*
 - *Are the games in premier working order? Are any down or broken?*
 - *Are the bonuses in the games attainable?*
- **Does or will** the game room have a **card reader** system?
 - *Are the games priced correctly? (Many price them too high or some too low for the market.)*
 - *Are the games putting out the right percentage of tickets per play? (Typically, a 25% to 35% output on the dollar.)*
 - *What is the ticket value? (Usually .01 a ticket.)*



AVERAGE ARCADE GAME REVENUES PER WEEK

- Are there or will there be **other attractions** apart from the arcade or is it a **stand-alone arcade**?
- **How is the game room positioned** or how will the game room be positioned? *For instance, is it in a boxed room with all games turned up way too loud? Or, is the game room in a carpeted area with only 1 in 4 games set in “attract mode” with music playing overhead?*
- **How impactful** is or will be the **redemption area**? Is it or will it be **staffed**?
 - *Where is the redemption center located in your facility? Where is the arcade located?*
 - *Are the redemption prizes priced correctly? (200% markup, generally.)*
 - *Do the redemption prizes appeal to your target audience?*
 - *Do the direct pay games have great prizes?*
- Is or **will the arcade** be a part of your **birthday party packages**?
 - *Is the arcade included in your food/game package price?*
 - *Are game packages sold to corporate and social events?*



Gaining the maximum amount of revenue from each game **depends** on the **relevance of the games** added to the room, the **structure** of your game room, **flow**, and so much more.

A great game room, at peak hours, has the potential to generate up to *\$1000* per game per week!

If not presented or marketed correctly to the right target audience, a game room will not yield the return you're looking for.



AVERAGE COST PER GAME

The average cost per game can be anywhere from **\$10K - 12K**. Top-of-the-line games can cost you as much as **\$50-75K**, but on the lower end of the spectrum, crane games cost around **\$1600-\$2400**.

Keep in mind that tax, freight, installation, your redemption center, and a card reader system are all **additional costs** to consider.

There are options to lease equipment but be sure to consult with an arcade expert first.



AVERAGE SPACE ALLOCATION PER GAME

You can expect to use an average of **75 square feet per game.**

Extreme games are more common now than ever, increasing the average square footage for arcades while sometimes decreasing the average game count in the game room.



ARCADE GAME TYPES

The right **game mix** is another factor that determines the success of your arcade. It's important to understand the different categories (and subcategories) of arcade games and think about what'll best appeal to your **target demographic**.

According to Betson, the 3 most common categories of arcade games are video, redemption, and merchandiser.

VIDEO GAMES

Video games are played by customers for fun and to compete and reach high scores. These are usually driving, fighting, pinball, or air hockey games.

REDEMPTION GAMES

Redemption games reward players for their skill and high score. Each player has a chance to win a prize from the facility's redemption center after playing the game. These are usually coin pushers, video redemption, whacking games, and/or others.



ARCADE GAME TYPES

MERCHANDISER GAMES

Lastly, merchandiser or direct pay games allow customers to win a prize directly from the game machine. For instance, cranes or claw machines, photo booth machines, and/or others.

DETERMINE YOUR GAME MIX

Each game category or game type has its **specific purpose**.

For instance, air hockey games are designed to be immersive. People are so focused on achieving their high scores, they completely tune out the rest of the world.

Arcade boxing games are designed to encourage friend groups to get a little competitive, test their strength, and determine who's the strongest. Crane or claw machines also bring out that competitive side in your customers!

As a facility owner, you need to determine what **game mix** makes the most sense for your **target demographic** and which games will keep customers at your facility for longer.



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ARCADE PROFITABILITY CALCULATOR



Now that you have more context regarding what factors determine the overall success of your arcade, you can refer to our [arcade profitability calculator](#).

Our calculator will allow you to **determine arcade revenue** based on [square footage available](#) or determine the **number of arcade games you'll need** based on how much [revenue](#) you'd like to generate.

[Click here to download our calculator now.](#)



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TIPS FOR BOOSTING ARCADE PROFITABILITY



The following tips were recommended by Turfway Entertainment Management Group. Follow these suggestions to **elevate your guest experience**, **develop a clear process for managing your arcade**, and **maximize profits**.

CUSTOMER SERVICE AND GUEST EXPERIENCE TIPS:

1. Greet guests **immediately**. Make great eye contact, smile, and be sure to answer any questions or concerns they may have. Be patient, friendly, and outgoing with all guests.

 *Any attendant at the front counter is really a salesperson and should be an expert in your POS, knowledgeable in game layout, games, special events, and promotions.*

2. Walk your guests through **how to purchase** a game card and **how the gaming system works**. Assume guests are new to card-powered games. Tell them how to load up a card, how long their card is good for, and the price per game.

3. Give guests **detailed information** on different games you offer, how redemption games work, prize options, dining and drink options, and be sure to tell your guests about **best value** cards, multiple cards as a convenience to groups and families, and any other information.



4. Each attendant should do **10 game touches per hour** to ensure guests understand the game, offer tips or tricks, or recommend similar games.

5. **Include arcade play** in your **party packages**. The package can include a few free plays for the guest of honor and maybe even some credit at your redemption center so you can make their celebration extra memorable with a greater, more desirable prize.

💡 *For the party guests, you can also provide **arcade credits** and **play passes** for the duration of the party and perhaps a free, small prize from the redemption counter, so everyone feels like a winner!*

6. Consider hosting fun **public-facing events** to encourage visitors to play in your arcade. For instance, organize a **Family Fun Day** and offer group arcade packages for 4-6 people.

💡 *You can include game cards, pizza, and even a small amount of pre-earned credits to get them thinking about what kind of prizes they'll choose at the redemption counter before their fun has even started!*



OPERATIONAL STANDARD TIPS:

1. Make sure all kiosk lights are on and that kiosks are clean and working properly.
2. Music should allow for guests to speak comfortably and not have to lean in to talk. The volume should go up as the day goes on based on crowd size.



*Music must be a **recognizable mix** (80% - 2000's – 2016's, 20% - 90s–80s.)*

3. Games should be turned on in sections to **prevent spikes** in **electricity usage**.

4. Set **every fourth game** to **attract mode**. Play volume should be loud enough for the person playing the game to hear (*approx. 75% of full volume.*)

5. Make sure all games are working properly. This includes their lights, screens, audio, and buttons.



You may want to assign different managers or staff to play games every week to test their functionality.



6. If a game is not working, be sure to display a professionally printed sign that states, “This game is currently under construction.” If a game is not working for more than 24 hours, be sure to **remove it from the floor** and fill the empty space with an existing game or table, stools, etc.



*Have staff fill out a **Games Down Report** daily.*

7. Be sure to have tables or stools near games so guests can place their personal items nearby.

8. Merchandiser games should exist in **high-traffic areas** to entice players.

9. Be sure to position your video games upfront. Once customers start winning tickets from redemption games, they rarely go back to playing a video game!

10. Do not place any violent games (shooting or fighting) near entrances.



CLEANLINESS AND MAINTENANCE TIPS:

1. No chairs, stools, food, or drinks should be permitted behind the counter.
2. Store disinfectant spray, towels, and other cleaning supplies **behind the counter** after each use.
3. Signage should display the correct information, be visible and clean. Signage should be **printed professionally**.
4. Wiring and cables for the POS should be organized and dressed for visual appearance.
5. Counters should be clean and free from clutter, papers, fingerprints, etc. The only items to be displayed on the counter should be **promotional flyers**. Counters should be wiped down each night or as needed throughout the day.
6. Back-up paper and ribbon should be stocked each night. Player Cards should be stocked each morning and secured each night.
7. A two-way radio should be at the front counter at all times.
8. Ensure all games are clean and free of dust or fingerprints throughout the day.



Here are more [cleanliness and maintenance tips](#) for each game type.

DISPENSING/CRANE GAMES:

- Cranes should be half full of prizes. Too many make it difficult to grab an item, while too few make a poor presentation.
- Prizes should be rotated periodically. Be sure to stay up to date on trends.
- Clean glass daily, both inside & out.

BALL GAMES:

- Be sure each ball game has the correct number of balls. You may want to assign staff to check this throughout the day.
- All balls must be inflated properly and replaced as needed. Balls and machines should also be cleaned weekly.
- Games must link properly.
- Keep backup balls in storage to replace worn or stolen items.



REDEMPTION GAMES:

- Place the redemption **prize on display** in or on top of the game if there is space.
- **Rotate games** placed in “attract mode” weekly.
- Offer **trendy and high-quality prize options** to increase your customer’s desire to play. Your redemption counter should **wow** the customer. Another way to keep the excitement is to switch things up by staging the counter to reflect seasonal themes or major holidays.

ELECTRONIC GAMES:

- Make sure you have a **preventative maintenance manual** available for each game. To achieve proper P.M., you must schedule 40 hours per week.
- Have a **backup supply** of proper switches, boards, fuses, lights, and assemblies for all of your games.



CONCLUSION

There are many factors to consider when adding an arcade to your facility. Although **our profitability calculator** can provide you with a ballpark number of what to expect in terms of cost and revenue potential, everything from the **types of games** you choose to **how you run your facility will determine your profit outcome.**

If you'd like to learn more about arcades and game rooms, [contact Turfway Entertainment Management Group](#) for more information.

[Be sure to also check out our webinar on the value of merchandising with Josh Adkins, Account Manager at Redemption Plus.](#) In this webinar, you'll discover how **redemption prizes** can help you **maximize profits.**

We hope that this resource and calculator will help you determine arcade feasibility, discover how to further improve your arcade if you already have one, and continue to grow your business!



FREE RESOURCES

***FOR THE FAMILY
ENTERTAINMENT
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At Party Center Software, we're dedicated to helping our industry overcome adversity and emergency situations. We've prepared a few guides to help you plan ahead with your business.



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