



# INTERNATIONAL BOWLING INDUSTRY

## Token fever

Leverage your game tokens and increase your payout, too.

**W**hy aren't my games earning \$200-\$300 per game per week, the kind of revenue figures that I read about or hear at seminars?"

The simple answer may be: "Because the games are not being marketed." Assuming that the game space is located properly, the game mix is geared towards redemption, and the games are laid out and programmed correctly, you need to market the games to drive revenue.

When you review all of the customers that come into your bowling center or bowling-anchored family entertainment center, you will most likely discover that in 100 customers, 30

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will be regular game players, and 49 will use the tokens, find they enjoy playing and continue playing. The remaining 21 will have no interest the first time they are given tokens, although some of them will play on a future visit to the center.

The group of new players—the 49 in 100—will not spend as much per visit

as the regular game enthusiasts, but their combined spending equals that of the regular player base. On average, getting these customers to play is the easiest way there is to double game revenue. How do you market to them?

For 30 years I have been developing marketing programs aimed at these customers to provide them with an incentive to play the games. The best of all strategies, I've found, is to prime the pump by putting tokens in their hands.

### DISCOUNTING AND SCALING

Most center owners base their normal, non-discounted pricing for tokens on 25 cents. That is, one token will cost the customer a quarter, four will be \$1, and so on. Tokens you sell to customers at a discount from such normal prices can be a powerful incentive to play.

You should decide what your discount is going to be and use that discounted price consistently. All your tokens should have a value put on them for accounting purposes. You will be able to properly price packages that contain tokens; and pricing all tokens also makes for an accurate P&L in the game area and for transfer of an

appropriate amount of money into the game account.

The discount should be a significant cut off the normal price. If you base your normal price on 25 cents, discount values such as one token for 16 cents, 18 cents, or 20 cents are all reasonable choices. If you have a game vendor, this value will be negotiated with him according to the percentage of the total number of tokens each week you discount.

How many tokens should that be? We have discovered that when one-third of the tokens each week are discount tokens, the game revenue is highest. Over-discounting or under-discounting does not help to increase the game revenues.

One common way of marketing games is to offer bonus tokens as higher denomination purchases are made. For example, 25 cents buys one token and \$1 buys 4 but \$5 buys 23 (3 are free), \$10 buys 50 (with 10 free), and \$20 buys 110 tokens (30 free).

This "buy more, get more" concept—or discount scaling, as it is called—certainly helps to increase revenues, but it is predominantly just marketing to the choir, that is, the current players. It gives them a good reason to spend more. It does not address the other 70% of your customers in any significant way.

Discount scaling also makes it difficult to create discount packages with game tokens that have high perceived value. The reason is that the perceived value of a token in the customer's mind drops. Customer exit polls show that patrons place a much lower perceived value on a token when token value is scaled; they know that the tokens are discounted as they buy more (although they usually don't take the time to do the math).

## TOKEN PACKAGES

Almost every facility that has games includes a number of tokens in each birthday party package to increase the perceived value of the package. At least for birthday parties, bowling owners and managers do understand "priming the pump." They see firsthand that many of the party guests spend additional money playing games after the party. Most large group packages also provide an option to purchase tokens in bulk at a discount. The concept of adding tokens or selling discounted tokens to large group events such as corporate events, proms, and lock-ins is also widespread.

My experience is that token discount packages have at least five major benefits. They (1) provide more perceived value to your customers; (2) bring in new customers through word-of-mouth and advertising; (3) increase per capita spending; (4) get more people playing the games; (5) help create repeat customers as patrons appreciate the high-perceived-value discount packages and

save their redemption tickets for additional visits.

The problem is that the concept of including tokens is often not carried through to other purchases within the facility, nor available to small groups, family and in individual value packages so as to provide more perceived value to all of the customers. These are all marketing opportunities.

Packages are easy to create if you have several attractions. For example, if a single bumper car ride is \$1 and laser tag is \$3, a value package could include the two attractions plus 10 game tokens and a medium soft drink for \$5.

The marketing guideline for a combo package is to make sure that the perceived (retail) value of the package is at least 50% more than the amount the customer would spend purchasing each item on an individual basis. The end result may be additional spending, a repeat visit with one or more new customers in tow, and positive word-of-mouth. A win-win-win all around!

Discount packages with tokens can also be used to increase F&B purchases. First determine what the average customer spends at the snack bar and set a realistic goal to increase that per capita spending amount by 10%. For example, if the average food purchase is \$4.50 per person, offer five game tokens for purchases totaling \$5 or more. (As a word of caution, do not include alcohol or tobacco sales in any value package without first getting legal advice.)

It is always a good idea to have impulse-purchase items at the payment register that sell for 50 cents, 75 cents, or \$1. This same practice can be carried through for tokens. Give game tokens at the

reception desk for number of games bowled, high-score games, purchases in the pro shop, bringing in one's children, and the like.

Token packages are a great marketing tool if you don't scale your discounts. For scaled discounts just by

## Scaling the discount is a detriment to marketing through token discount packages.

themselves give customers the pleasure of a discount; all they have to do is buy enough tokens. That takes some of the shine off F&B packages and attraction packages that include tokens.

Don't forget debit cards. They provide unlimited marketing opportunities to promote game play. For example, a VIP program can be instituted where after a customer spends a certain amount of money playing games, he or she receives a 10% discount on future game play. This is a way to discount token purchases for regular customers but still retain the 25-cent perceived value of a token among the rest of the customers and the general public when you market value packages.

So prime the pump. Get your customers playing. The highest-grossing games are in bowling centers that market their games aggressively, and "pump priming," token-based promotions are a powerful way to do just that. □

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