How To Make Your Cranes And Merchandisers Pop!

By HOWARD MCAULIFFE

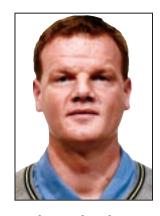
Redemption Plus

ocations with good product, neatly organized and fully stocked, make a whole room look better and help entice customers to play specific games. This maxim applies to both redemption counters and merchandise games.

I recently spent three weeks on the road visiting customers and attending tradeshows. During these trips, I was able to visit a variety of locations across the country including street locations, bowling centers, and large FECs. I was reminded of how important and difficult it is to make sure cranes, merchandisers and redemption counters are full and operating at peak capacity.

It's no secret that our industry has shifted; redemption and direct prize merchandisers now drive revenues. This shift requires more time from the operator to source product and keep the machines full. This is easier said than done because of the time constraints inherent in operating games including cleaning, working with guests, game maintenance, and the plethora of little things needed to keep an operation in top shape. However, the rewards are high enough to make this additional investment in time and attention well worth the effort.

In addition to the essentials of making sure that the machine is clean, that the lights work, that you have great products, and that the machine "By focusing on keeping cranes full and animal eyes facing out, having quality minor prizes that are aesthetically pleasing to a passerby, and including prizes that can more often be won in high-end merchandisers, operators can squeeze extra dollars



out of their locations. These are steps that can be taken without increasing costs, which means these extra dollars go to the bottom line. Isn't that what it's all about?

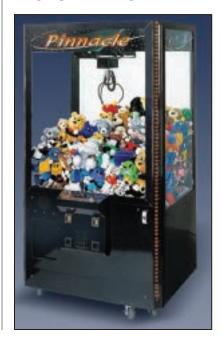
functions properly, there are keys to making sure the machines and the products are maximizing revenues. This article will focus on a few keys that every operator can do to make sure they are getting the most from their machines.

Cranes

The problem I see most often with cranes is that they are not full with the product organized and eyes facing out. When employees get busy, they often don't fill the machine or simply dump plush or other items into the machine and move on to their next task. Taking the time to make sure the crane is full, with product sloping up to the back wall, just under the claw, with eyes facing out, will increase sales and only takes a few extra minutes. Don't save time by neglecting this step; save time by working with trusted merchandise suppliers to get you

the product you need when you need it instead of spending hours shopping, looking for ways to save a few cents.

Tip: I want to specifically mention *The Giant* and *Big One* cranes. We have seen an increase in interest in these marquee pieces. It is impor-



tant to raise the plush items off of the floor so that the claw functions optimally. You can use cheaper items like Knobby Balls or Kick Balls as a bottom layer to achieve this effect

Minor Prizes in Merchandisers

This is the most common area that I see lacking in locations. I can't express enough how important minor prizes are to making machines that use them aesthetically pleasing. Often, the prizes are not full (in some cases even empty) or they are disorganized and sloppy. By sloppy I mean it is not good product or the items are hanging crooked or facing away from the customer, which hurts the aesthetics of the game and by extension the game room.

> I know from experience it is hard to use plastic hangers and get the product to hang straight. We strongly recommend using hanging bags to make the machine look good and save time. These bags are available from a variety of suppliers. We have chosen bags that use appealing colors that are not too bold or bright so that the product is the highlight. By using hanging bags, the minor prizes are symmetrical and designed to hang



straight. You can still offer a variety of items to choose from but the bag brings symmetry, which is attractive to the eye. You can save time because the bags are designed to slip right over the prize spindle and hang straight.

If you are filling your own bags or attaching plastic hangers to your own minor prizes, make sure to factor in the cost of the time it takes to do this when comparing to pre-made bags.

I have talked to operators who simply look at the cost of

individual items
they buy and
don't assign a cost
to labor needed to
source items and
create hanging
products, or the
value in presenting an overall aesthetically pleasing
machine to the
customer. In some
cases managers or

technicians are the ones doing this task, which is a very expensive way to stuff bags. In most cases it will be cheaper to buy these products ready to go from a supplier that has dedicated people sourcing product and filling bags as efficiently as possible.

Certainly it is worth more to the bottom line to keep the machines full if saving time building bags or adding hangers to product allows employees to focus on the games.

With all merchandise games, once the payout is con-

sistent on the machine, driving additional sales has the most impact on profits. Proper displays and merchandising techniques will maximize sales.

High-End Merchandisers

High-end merchandisers, a term I use to describe merchandisers that use expensive items of \$100 and up, have been a growing piece of the crane and merchandiser mix because of their impressive revenues. The biggest issues with these machines are having products that are either all very expensive or too small for the machine.

It's clear that the high-end product like Beats by Dr. Dre headphones, iPads and other high-end electronics drive sales in these machines.

However, in most locations, with the exception of vacation areas, there are a lot of repeat customers. Having product they can win regularly is important. A lot of people will play for a \$500 iPad, but if you have a 25% cost of goods sold then you need to bring in \$2000, which is 2000 plays at \$1 per play or \$4000 at \$.50 per play.

After a while, customers grow weary of the machine from not winning. It's important to put some lower cost items that can be won more frequently in these machines. Items in the \$10-\$50 range can still fit with the high quality theming in these machines while allowing more players to win. The other benefit is that you are not tying up cash in a machine full of expensive inventory that will seldom be won.

In *BarBer Cut* I think it is important to put some larger items because the play area is so large. I have seen *BarBer Cuts* with great product like iPhones in the machine, but it loses some of its impact.

Although it is a high value prize, it is small in size. If there are four iPhones hanging in a *BarBer Cut*, they get lost in the large playfield even though it is a great prize. Hanging Angry Birds Space plush, large box electronics, and even sports jerseys are bulky prizes that draw attention to the machine.

Whether working in a busy FEC or servicing a route with an ever-increasing number of cranes and direct prize merchandisers to maintain, keeping machines full takes time but can be achieved by stressing the importance of attention to details. It is important to stress to employees to keep machines full and operating at optimal levels.

By focusing on keeping cranes full and animal eyes facing out, having quality minor prizes that are aesthetically pleasing to a passerby, and including prizes that can more often be won in high-end merchandisers, operators can squeeze extra dollars out of their locations. These are steps that can be taken without increasing costs, which means these extra dollars go to the bottom line. Isn't that what it's all about?

Howard McAuliffe serves as the crane and merchandiser specialist for HIP Prizes by Redemption Plus. The 15-year industry veteran got his start as an operator with Pinnacle Entertainment Group, a family business. He also spent a number of years working for various non-profit community-focused organizations before returning to the amusement industry. He lives near Seattle, Washington. Howard can be reached by phoning 913/563-4369 or emailing hmcauliffe@r edemptionplus.com. Visit www.hipprizes.com for more info on Howard.

