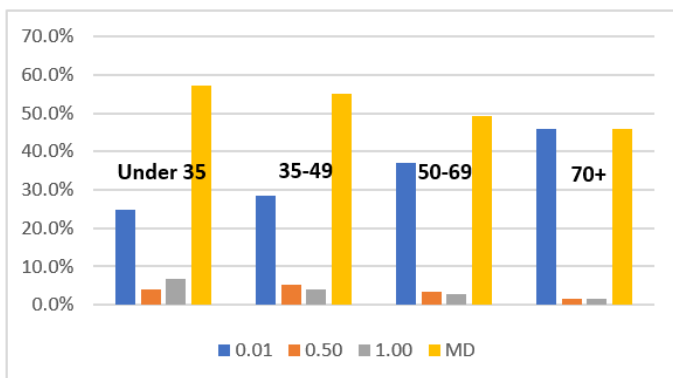


Looking at demographic and gender preferences across any product or service is one of the single most insightful research activities a venue can undertake. Knowing the customer base is Hospitality Management 101. With that said, once you know the numbers, what are you comparing it against? We lament the amount of publicly available data that is worth assessing, so with that, some valuable publicly available data below. You're welcome.

Q2 2018

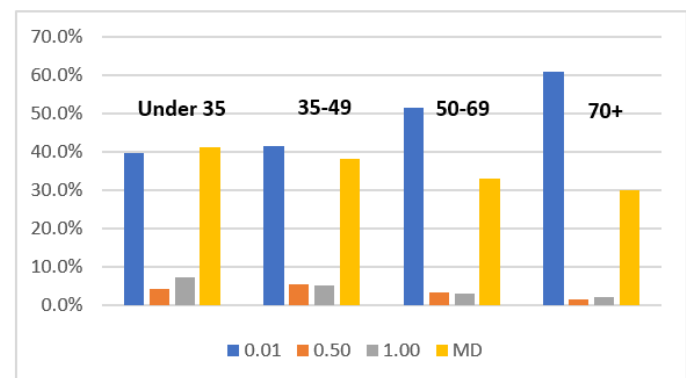
Denom	Under 35	35 - 49	50 - 69	70 +	Overall
0.01	24.7%	28.5%	37.0%	45.8%	39.5%
0.50	4.1%	5.2%	3.3%	1.5%	2.7%
1.00	6.7%	4.0%	2.7%	1.7%	2.5%
MD	57.2%	55.1%	49.2%	45.9%	48.6%



Source: AstuteBI

Q2 2016

Denom	Under 35	35 - 49	50 - 69	70 +	Overall
0.01	39.7%	41.6%	51.6%	61.0%	53.6%
0.50	4.4%	5.5%	3.4%	1.5%	2.9%
1.00	7.3%	5.3%	3.0%	2.1%	3.1%
MD	41.2%	38.2%	32.9%	30.1%	32.8%



The tables above look at total minutes played on the 4 most popular denominations in the market, which includes multi denomination product (MD). The sample look at the same period (Q2) two years apart. The most notable trend is the smooth transition away from 0.01 products to MD through the demographic bands. The 0.50 and 1.00 activity (largely MTGM) was less effected.

When breaking up this data along gender lines, there is a slight difference between time spent on **0.01** and **MD** between Male and Female. The Female cohort (who make up 56.5% of all minutes played), spend 88.3% of their time split between **0.01** and **MD** (41.6% and 46.7% respectively), while Males spend 86.4% of their time with a split of 37.5% and 48.9% respectively.

Insight: This would indicate products like Lightning Dragons being less popular with the 70+ age group who are still disproportionately playing 0.01 denomination product compared to the other demographic groups. The movement in 2 years saw 0.01 product twice as popular as MD product in 2016 to line ball in 2018 (for the 70+ age group). This was less dramatic in the other age groups.

Conclusion: Like standalone dollar games, the release of single denomination games may be a thing of the past. It makes commercial sense from the Manufacturer's side of things, but question how it benefits the greater market for 100+ machine venues. Similarly, while the 0.01 denomination was 70%+ of the market 5 years ago, this will continue to decline in favour of MD games.

INFLECTION POINT – OPINION PIECE

SPORTS BAR FEVER – *the annual flirtation with an American institution. By Terry O'Halloran*

It's October, which means it's G2E in Las Vegas, which means travelling groups of Australian operators experiencing everything 'Sin City' has to offer. Many will come back with ideas, most of which will remain just that once some further thought and financing metrics are applied. One of the most popular ideas that is often floated is American style 'Sports bars'. I lived in the US for 3 years so completely understand the attraction. While I like the initiative of trying new things and pushing the boundaries of the Club business, it's important to note some of the hurdles that may not mean success will be easy to come by.



There are some core issues as to why US style sports bars may not work in any meaningful way in Australia;

- * **Content** – October means MLB playoffs, all day Saturday college football and NFL across Sunday. Throw in NBA pre-season and NHL season start, and there is content every night of the week. Australia has no way near that for the post 5pm market.
- * **Sports culture** – Americans are immersed into sport a level above Australians. If you need proof, look at how bars are packed for Monday Night Football. Even on the quietest night of the week they are into their sport.
- * **Societal culture** – these bars are largely predicated on 3 uniquely American cultural aspects Australians don't undertake en masse – tipping, table service and 'running a tab'. That is hard to ingrain into people and is central to the way these bars operate.

If you want a recent example, look at Star Sydney's effort over the years. This was exceptionally well executed, one which wouldn't be out of place in any Casino in the US, but since its launch, there have been multiple reworks which would indicate a lack of long-term traction and return. While big events like UFC fights, Superbowls and Grand Finals get big crowds, it's the other times that really pay the bills. While I am sure Star are continuing to develop their offering, I can't help but think it's the cultural difference which will ultimately hamstring any large-scale success.

SEPTEMBER 2018 GAME PERFORMANCE – games released in last 12 months, sample of 5+ units

NSW

Game Name	Manufacturer	Avg Vs Floor	Sample
PEACOCK PRINCESS DC	Aristocrat	2.40	14
STAR STAX VEGAS NIGHTS	IGT	2.27	11
SPRING FESTIVAL DC	Aristocrat	2.15	15
DYNAMITE DOLLARS ALL ABOARD	Konami	1.76	23
DANCING DRAGONS ALL ABOARD	Konami	1.40	11
PC OPAL EDITION	Aristocrat	1.31	127
VEGAS STAR MULTIGAME 2	SciGames	1.21	5
MULTISTAR MEGABUCKS GOLD 3	IGT	1.20	20
MIGHTY COINS MIGHTY DRAGON	Aristocrat	1.11	56
GORILLA WINS	Atlas	1.11	7

Queensland

Game Name	Manufacturer	Avg Vs Floor	Sample
STAR STAX VEGAS NIGHTS	IGT	2.37	5
SPRING FESTIVAL DL	Aristocrat	2.08	141
PEACOCK PRINCESS DL	Aristocrat	2.05	127
EYES OF FORTUNE LL	Aristocrat	1.91	5
SPRING FESTIVAL DC	Aristocrat	1.76	12
PEACOCK PRINCESS DC	Aristocrat	1.68	11
MAGIC TOTEM LL	Aristocrat	1.65	6
FORTUNE GONG DRAGON DYNASTY	IGT	1.38	5
SWEET TWEET - CASH CONNECTION	SciGames	1.26	39
WILD COUNTRY - CASH CONNECTION	SciGames	1.23	18

If Loyalty costs and RTP retention are an issue at your venue, a review for less than \$2,500 could be the solution to getting things back on track. Contact Terry O'Halloran on 0426 468 738 or terry.ohalloran@russellcorporate.com.au to discuss your options.

With three Gaming Gold sessions in the bag, the course moves to regional NSW over the coming weeks with sessions in Armidale, Moama and Bathurst. We hope to see the regional Clubs there.



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Norths - COMPLETED [Camberay, Sydney]	Warilla Bowls - COMPLETED [Warilla, Illawarra/South Coast]	Diggers @ the Entrance - COMPLETED [Entrance, Hunter/Central Coast]
Tuesday, October 23 POSTPONED Armidale Ex Services [Armidale, New England]	Thursday, November 8 Wenty Leagues [Wentworthville, Sydney]	Thursday, November 15 Moama RSL [Moama, Riverina/Victoria]
Tuesday, November 20 Bathurst RSL [Bathurst, Central West]	To register your interest, email terry.ohalloran@russellcorporate.com.au for more details	