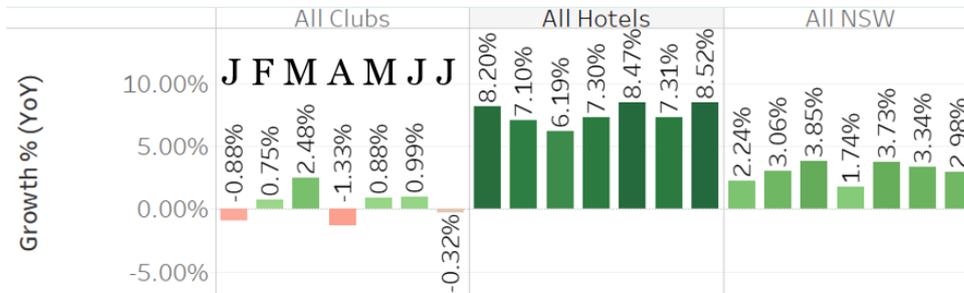


NSW and Queensland are experiencing some of the worst drought conditions in the last 70 years. Combined with political uncertainty and looming State and Federal elections, market conditions have been very testing and are expected to continue like this through 2018. Clubs in Queensland are also experiencing a similar trend in 2018. Monthly year on year Gaming numbers published by Clubs NSW (on data provided by NSW L&G) shows a stark difference between the net revenue Gaming performance of Pubs and Clubs.



The question is: how have Clubs got to this point? And what can be done to improve the fortunes of the whole industry? If Pubs are the domain of under 35s, these results would seem to debunk the belief they are no longer playing gaming machines.

Source: Clubs NSW / OLGR

We received a lot of feedback from July's 'Inflection Point' detailing the age trend of Gaming participation over the last 5 years. We produced a report for AGE that goes into greater detail, and below is some additional insight focusing more on the gender contribution and share across each age demographic.

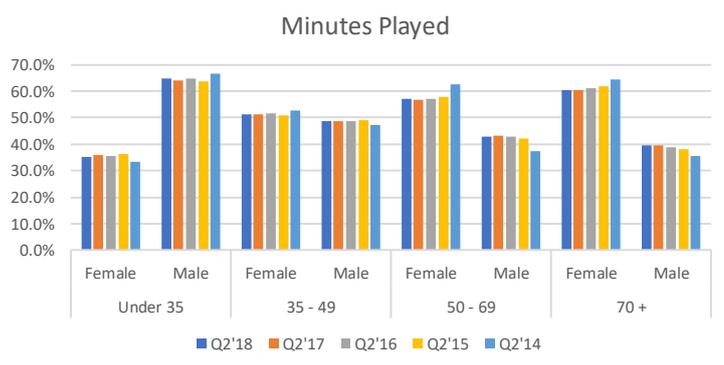
NSW		Minutes Played				
Age Range		Q2'18	Q2'17	Q2'16	Q2'15	Q2'14
Under 35	Female	35.3%	35.8%	35.4%	36.4%	33.6%
	Male	64.7%	64.2%	64.6%	63.6%	66.4%
35 - 49	Female	51.2%	51.4%	51.5%	51.0%	52.9%
	Male	48.8%	48.6%	48.5%	49.0%	47.1%
50 - 69	Female	57.0%	56.8%	57.2%	58.0%	62.4%
	Male	43.0%	43.2%	42.8%	42.0%	37.6%
70 +	Female	60.4%	60.4%	61.0%	61.7%	64.3%
	Male	39.6%	39.6%	39.0%	38.3%	35.7%

The table to the left details the gender share of minutes played in each demographic bracket. This is tabled for each Q2 from 2014 to 2018 inclusive. With the 4 demographic groupings, there are 2 distinct trends.

Up to 49 years: for the 'Under 35' and '35-49' brackets, there is largely consistency in share of minutes in each of the time frames. While there are some slight changes, by and large this paints a picture of consistency.

50 years plus: looking at the '50-69' and '70+' brackets tell a very different story. The consistency across each bracket is a decline in female participation via the 'minutes played' metric.

While many Clubs report the importance of the female cohort in Gaming participation, this number is possibly detailing a shift in behaviour for women above 50. Some have cited the greater role of parents in helping their kids with babysitting duties to counter the cost of child minding and house prices as a prime driver in this decline.



Conclusion: Societal changes can affect any number of behavioural patterns, be it specific consumption patterns or otherwise. How are Clubs looking at available data and information to make decisions for the future? Many Clubs follow others with no thought of their own unique situation. Understanding the Micro and Macro trends in and on your Club is the best way to understand your challenges and create a plan to deal with them.

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

NSW

Game Name	Manufacturer	Avg. vs Floor	Sample
SPRING FESTIVAL DC	Aristocrat	2.32	15
PEACOCK PRINCESS DC	Aristocrat	2.30	14
DYNAMITE DOLLARS ALL ABOARD	Konami	1.85	6
GORILLA WINS	Atlas	1.69	6
HAPPY CHANCE CAT	SciGames	1.63	6
PC OPAL EDITION	Aristocrat	1.31	132
WILD COUNTRY - CASH CONNECTION	SciGames	1.26	21
MIGHTY COINS MIGHTY DRAGON	Aristocrat	1.26	48
MIGHTY COINS WEALTHY TIGER	Aristocrat	1.22	39
SWEET TWEET - CASH CONNECTION	SciGames	1.17	24

QUEENSLAND

Game Name	Manufacturer	Avg. vs Floor	Sample
SPRING FESTIVAL DL	Aristocrat	2.22	152
PEACOCK PRINCESS DL	Aristocrat	2.15	138
PEACOCK PRINCESS DC	Aristocrat	1.61	13
SPRING FESTIVAL DC	Aristocrat	1.52	15
SWEET TWEET - CASH CONNECTION	SciGames	1.34	36
WILD COUNTRY - CASH CONNECTION	SciGames	1.32	17
5 DRAGONS EMPIRE	Aristocrat	1.15	19
FIRE QUEEN THUNDER ARROW	Konami	1.06	13
INGOTCHA	SciGames	1.05	42
FORTUNE FURY	IGT	1.02	26

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.

RCA in conjunction with the CMA present GAMING GOLD, a one-day Gaming course that is designed to bring a Finance focus to Gaming, Marketing and Loyalty, as well as Insights and trends across a range of markets.



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“An intensive one-day masterclass focused on the business of Gaming. Understand the finance of running a Gaming floor, how to identify the competitive pressure points and the contributing factors that determine success”

Remaining dates and locations below –

<p>Thursday, October 18 Diggers @ the Entrance [Entrance, Hunter/Central Coast]</p>	<p>Tuesday, October 23 Armidale Ex Services [Armidale, New England]</p>	<p>Thursday, November 8 Wenty Leagues [Wentworthville, Sydney]</p>
<p>Thursday, November 15 Moama RSL [Moama, Riverina/Victoria]</p>	<p>Tuesday, November 20 Bathurst RSL [Bathurst, Central West]</p>	<p>To register your interest, email terry.ohalloran@russellcorporate.com.au for more details</p>

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