

**OPERATOR  
COMMENTS**

routes? Just 25% said they had. However, 59% this time said they know of routes being sold in their area.

**9. What is the average target age of your customers in the MAJORITY of your locations?**

	2006	2005	2004	2003	2002
12 yrs. & Under	8%	8%	4%	5%	8%
13 yrs. to 18 yrs.	9%	17%	15%	11%	19%
Over 18	32%	31%	37%	42%	41%
All Ages	50%	44%	44%	43%	40%

**NOTE:** We noted last year that there was a peak of Over 18 type locations in 2002 and 2003 and although that declined somewhat this year it seems to have leveled out. That category has gone from 41% to 32% in just four years and it's probably not going to change much over time. Operators are settling in to their ideal age groups. The percentage has risen 14% in the All Ages category from 44% to 50%. The number of Family Entertainment Centers (FECs), which would encompass the All Ages group, has also gone up (50%) so it would make sense.

**10. What is YOUR share of the location split?**

	2006	2005	2004	2003	2002
<b>GAMES</b>					
Under 50%	11%	4%	3%	3%	-0-
50/50 Split	65%	65%	78%	71%	77%
Over 50%	24%	31%	18%	26%	23%

**MUSIC**

Under 50%	18%	2%	5%	7%	4%
50/50 Split	52%	61%	61%	54%	52%
Over 50%	30%	37%	34%	39%	44%

**NOTE:** Take a very close look at these numbers. This is the percentage the operator has negotiated with the location and by all rights the operator should have a bigger share of the revenue than the location. How many do you see that looks like it should? Under Games, last time 4% said they were getting UNDER 50% of the split; this time that percentage rose to 11%. It shouldn't be rising! In fact, we figured it was just a matter of time before no operator was taking in less than 50% of the revenue. And, how about those negotiating their share at over 50% on games? That's good but there are fewer of them. Last time 31% were taking in over 50% and this time that percentage dropped 23% to 24%. Operators sticking with the traditional 50/50 split on games didn't vary even one percentage point. Under Music, which has been touted as a great way to raise the operators' share of the revenue, fewer (30%) are getting over 50%.and that's especially unsettling because last time that percentage was 37% so it's down 19%. Fewer are settling for the 50/50 split but look how many more are dropping back to getting UNDER 50%, 18% compared to a mere 2% last time.

**11. Is the Internet vital to your business?**

	2006
Yes	56%

**NOTE:** For the last several years we simply asked operators if they used the Internet in their business and those numbers went from 54% in 2001 up to 63% in 2005. We asked it a little differently this year wondering if the Internet was actually VITAL to their business and 56% said it was.

**12. Does your business have its own Web site? E-mail address?**

	2006	2005	2004	2003	2002
<b>WEB SITE</b>					
Yes	24%	29%	29%	27%	40%
<b>E-MAIL ADDRESS</b>					
Yes	66%	69%	67%	71%	80%

**13. What industry Web sites do you visit regularly?**

**NOTE:** We debated about whether to ask this question at all. However, it was interesting to see which Web sites attract visitors. Here are those sites (in the order of responses) that operators visit regularly: The Number One response was Happ. Others included TouchTunes, Betson, trade magazines, Incredible Technologies, Rowe, Ecast, Merit, AMOA, Namco, Toy 'n Joy, Cardinal Dist., Bay Tek, Smart, and ICE.

*“The number of locations continues to shrink. This is going to force the number of operators to shrink. The strong will survive; the weak will not.”*

*“The biggest issue that the industry faces is the same as it has been for years: the cost of equipment is too high and the income from equipment is too low. We need an Xbox or PlayStation for the coin-op industry.”*

*“The biggest issue in the industry is equipment costs and getting new people involved in games.”*