

**OPERATOR  
COMMENTS**

who budget an average of \$100,000 for new purchases. This is a real dilemma in the industry: operators are fearful of purchasing new games but if they don't revenue will fall; if they only buy new games as needed, they're not out seeking new locations or customers for games they might have in inventory. We hope to see more operators actually committing a percentage of their revenue to new game purchases, investing in their business.

**21. Are you using a cashless payment system for your games?**

	2006	2005	2004
Yes or plan to	11%	5%	7%

**22. Do you plan to add new revenue areas to your business?**

Yes 38%

NOTE: Those who plan to add new areas cited merchandisers, home sales, malls, home service repair, more plush, self-redemption, bowling, lazer tag, mini golf, rides, digital jukeboxes, ATMs, vending machines, bulk vending, redemption, snack vending, food, more locations, skycoaster, re-model, and truck stops.



*"A big issue is iPod and background music. It's killing our jukeboxes. We have told the ASCAP, SESAC, and BMI [performing rights societies], copyright office numerous times but they won't enforce the law. We have installed download jukeboxes with numerous speakers only to have to remove them because the locations have installed iPods to our speakers. WHERE IS THE ENFORCEMENT?"*

## Jukeboxes

CD Jukeboxes	2006	2005	2004	2003	2002
Average Weekly Gross	\$90	\$141	\$102	\$101	\$105
Average # Per Operator	25	54	45	38	37
Total # On Location	42,000	86,000	98,000	87,000	80,000
Total Annual Revenue	\$197 mil	\$631 mil	\$519 mil	\$457 mil	\$437 mil
Total New Purchases	1,000	2,000	4,000	4,100	6,300
60% operate CD jukeboxes					
68% of those operating CD jukeboxes bought no new ones					

45 rpm Jukeboxes	2006	2005	2004	2003	2002
Average Weekly Gross	\$36	\$28	\$36	\$33	\$33
Average # Per Operator	3	13	9	13	12
Total # On Location	2,000	8,000	7,000	11,000	13,000
Total Annual Revenue	\$4 mil	\$12 mil	\$13 mil	\$19 mil	\$22 mil
20% operate 45 rpm jukeboxes					
43% of those operating 45 rpm jukeboxes say they will go straight to digital					
57% of those operating 45 rpm jukeboxes say they will go to CD					

Digital Downloading Jukeboxes	2006	2005	2004	2003	2002
Average Weekly Gross	\$191	\$254	\$234	\$204	\$172
Average # Per Operator	14	11	14	17	7
Total # On Location	23,000	11,000	16,000	15,000	6,000
Total Annual Revenue	\$228 mil	\$145 mil	\$195 mil	\$159 mil	\$54 mil
58% operate digital jukeboxes					
17% of those operating digital jukeboxes bought no new ones					
13% of those operating digital jukeboxes said many of their locations hold iPod nights					
13% said that the iPod nights hurt their bottom line					