

NEW OPPORTUNITIES IN THE UK PUB MARKET

Comment by Stuart Ross, Group Managing Director, Gamestec

At a time when the British pub trade is struggling, all its partners are feeling the pressure but must work together to provide all possible support to each other.

Licensed premises have been the bedrock for the gaming industry and it is important to work together now – partnerships are for better or for worse.

The current debate about the imminent demise of the British pub and its negative effect on the UK gaming sector has gone on and on and now is the time to focus on how to deliver a buoyant future for the market.

Companies like Gamestec must play their part in regenerating the pub trade, indeed any gaming company in the sector should seek opportunities to drive revenue and footfall in the current climate

Some of the effects of legislative changes were predicted, which is why nine months ago Gamestec undertook a business transformation programme to ensure our business was robust and stable enough to adapt to the current market trends.

What influenced our decision back then was need to modernise our infrastructure to ensure Gamestec emerged as a lean, efficient operation. We did not want to just hold on to our leading position in the market, we wanted to build the foundations to take best advantage of the changing market conditions.

When Gamestec launched the Fit For The Future programme, our aim was to address some of the key commercial hurdles caused by the introduction of the new Gambling Act, the smoking ban and a changing demographic among pub goers.

The only way to survive those changes was to become more efficient enabling us to survive through a period of tighter margins and give us a platform for continued profitable growth once the market recovers, but you have to be in the right place as a business to do so.

The company has gone through a comprehensive transformation. Our change programme has not been without pain, but without the changes we would not have had a future.

Despite the major overhaul, the market is still difficult for both us and our customers in the pub sector. We remain absolutely committed to keeping this sector at the heart of our business and continue to make significant investment in our infrastructure to deliver the best quality customers service to landlords.

We accept recent changes in legislation have had a negative influence on the industry in the short term but at Gamestec we think it is still too early to say what the longer term effects of the smoking ban and Gambling Act are.

The smoking ban has so far proved challenging for all areas of the industry— however, if we look at what happened in Scotland after the smoking ban, we can see a reversal in the downturn of people visiting pubs, which suggests the possibility for the same trend in England.

To counteract the impact of the legislation, Gamestec is continuing to take steps to understand the market and find alternative ways of capturing the end-user's imagination. Understanding our customers is an area that will allow the industry to fine tune its offerings. Gamestec, in particular, will continue to analyse the different market segments to find out what motivates gamers, which will no doubt lead to more promotion-led initiatives such as tournaments to attract players to participate in competitions involving specific games.

On the whole people will continue to want to go out and be entertained. The marketplace must closely track evolving needs of the consumer and make sure we cater for both the established and next generations. The advent of web, interactive and alternative forms

of entertainment will also remain strong and need to be embraced if the industry is to engage and attract customers and remain sustainable.

At Gamestec we believe that the emergence of digital-based gaming is only a matter of time. Our new digital offering will engage existing players and attract new ones. Recent trials by Gamestec show that our 'Best of Breed' approach, providing the broadest possible choice to the player, can significantly increase cashbox takings.

Working closely with the pub groups we are confident that Gamestec and our customers will have a good future.

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