

Gaming Machines - UK - January 2010

Report Price: £1500 / \$3000 / €2250



What is this report about?

The implementation of the Gambling Act in September 2007 was expected to mark the end of a long period of uncertainty over the future of the gaming machines market. Instead, a combination of the direct impact of that legislation, the indirect effects of external change in other key leisure sectors and the severity of the recession have combined to make the subsequent two years as turbulent as the preceding ones.

This report examines the range of those challenges facing the industry at the turn of the decade and assesses its likely future development and prospects for growth. In so doing, it examines the hypothesis that "recent sea changes in legislation, the economic climate and the character of the leisure sectors in which gaming machines operate mean the industry cannot continue on its pre-2007 basis and must evolve radically to maintain its place in the gambling market".

What have we found out?

- The gaming machines market grew by an estimated 19% between 2008 and 2009 to reach a total value of £2.42 billion. But this growth was entirely driven by the highly profitable B2 machines in betting shops, masking an estimated decline of around £100 million a year elsewhere in the market.
- Four times as many people currently play or are interested in playing traditional, reel-based gaming machines as the new generation of digital/touch screen products that are expected to replace them.
- Interest in digital machines is biased towards 20-24-year-olds, whereas it is over-35s who are attached to traditional reels. Tapping into the games console playing habits of the 'screenage' generation is one way in which operators could help to increase the consumer base at the younger end of the spectrum.
- Primarily seaside-based Family Entertainment Centres (FECs) have been the hardest hit sector of the market, reporting a 21% decline in annual revenue in 2008.
- With the lucrative B2/B3 sector reaching saturation point, innovation in lower-stake Category C product could benefit the market in 2010, helping out the struggling FECs that rely on these machines.
- The 'impulse' factor is crucial in this market, with six in ten players saying they play as and when they see them, rather than planning in advance. Men, under-25s and ABs are the most likely impulse players, reflecting the latent potential for new digital products in venues such as pubs and bars where these consumers spend much of their leisure time.

Your business guide towards growth and profitability

Mintel Oxygen is your one-stop shop for market and consumer analysis. It is designed to help you stay on top of market sizes, shares and forecasts, consumer trends, brand profiles and product innovation.

Use Mintel Oxygen to:

- Access fresh market intelligence every day
- Drive your business forward based on consumer trends
- Support your decision-making
- Benchmark competitive activity
- Stand out in new business pitches

If you have any questions or require further information, send an email to oxygen@mintel.com or call one of our regional offices:

EMEA: +44 (0)20 7778 7151
Americas: +1 (312) 932 0600
APAC: +61 (0)2 8284 8100