

ATARI GOING CONNECTION

ATARI INC., 1265 BORREGAS AVENUE, SUNNYVALE, CALIFORNIA 94086

Operators Tell Us

Route operators report stronger video performance compared to pinball.

As we observe the skyrocketing sales and earning power of Atari's ASTEROIDS™, we are seeing a phenomenon that is becoming increasingly common to the coin-operated games market—the continuously high earning video game.

More and more route operators are carefully evaluating their mix of games in each location, and realizing that the video game no longer is second to the pinball game. Concerned about maximizing the profit in each location, operators are reassessing the video game, as the price difference between the two types of games becomes non-existent and the difference in the average earnings life disappears.

At the AMOA trade show in November 1979, over 450 operators participated in the first TELLUS SURVEY. Over 125 of these operators were interviewed in depth by teams of professional interviewers. Operators responded to questions about their business and buying behavior.

There was high representation of route and arcade operators who operate over 500 units. While video traditionally performs strongly in game centers and arcades, route operators revealed that video actually performs similarly or outperforms (according to some variables) when compared to pinball.

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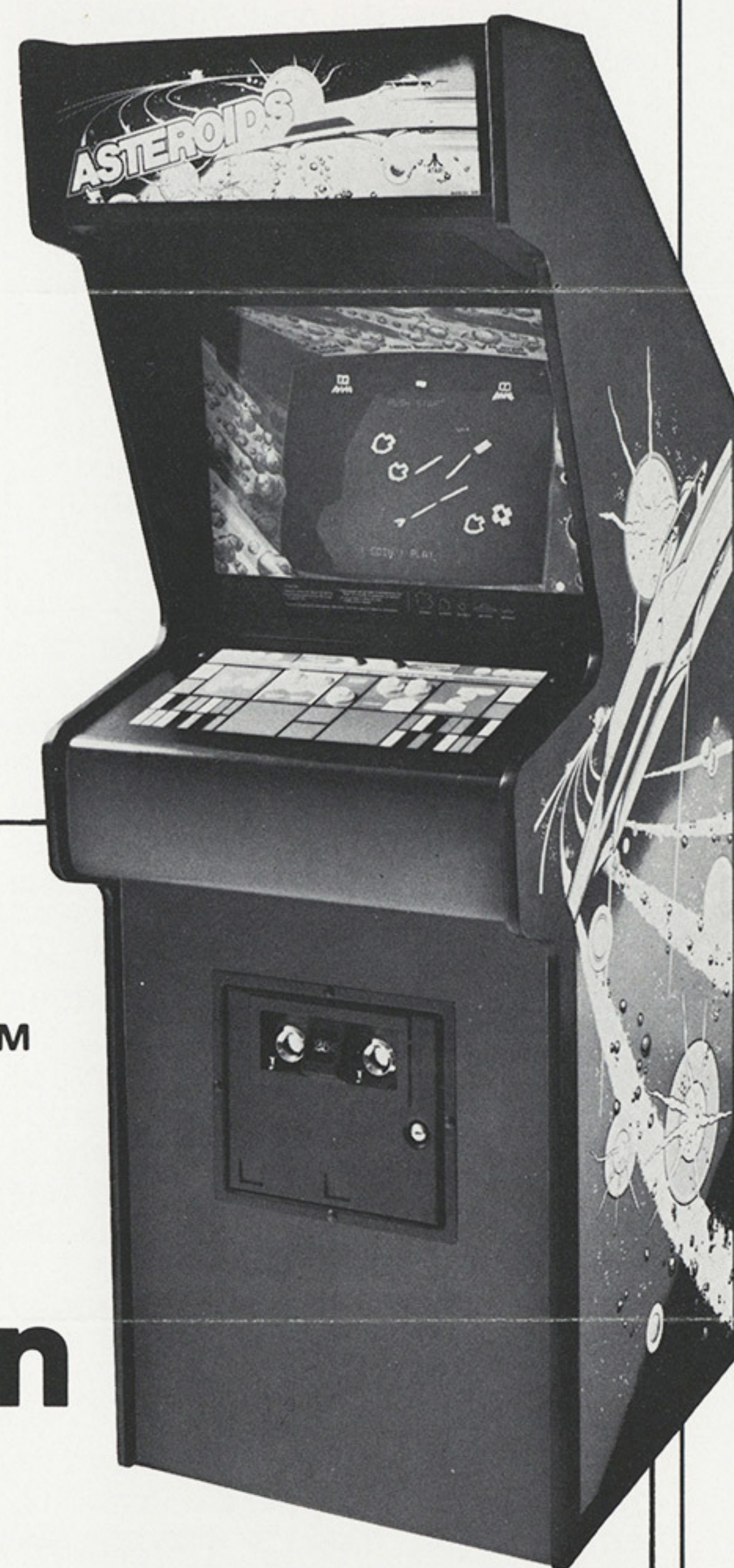
New Asteroids™ Tops Production Records

Sunnyvale, CA. "To date we've produced more 'Asteroids' than any other game in our history, and orders are still piling up," reported Don Osborne, Atari National Sales Manager.

"It's our biggest hit yet, surpassing even some of our classic hits like 'Tank', 'Breakout', and 'Atari Football'".

"The unusually high response to this game is a testimonial to the fact that it is returning extremely high profits to operators all over the world. Asteroids has the kind of play appeal and reliability that gives it good location versatility. It continues to be highly successful in game rooms as well as street locations of every type," he said.

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Operators of the Eighties

February Profile: Todd Erickson - St. Paul, Minnesota

In this industry the best ideas and most noteworthy information are often acquired through the operators themselves. As a regular feature of the Coin Connection, Atari would like to recognize the Operators of the Eighties—those who have taken strides to improve their business and promote the positive growth of the industry.

WHO DO YOU KNOW?

Atari would like your vote. Send in your recommendation for an Operator of the Eighties who might like to be featured in this newsletter. Qualify the unique and progressive attributes of the nominee, such as an unusual mix of locations operated, special customer services, active promotions, successful problem solving approaches, etc. (Submit your nominated operator to: The Coin Connection, 1265 Borregas Avenue, Sunnyvale, CA 94086.)

For our first Operator of the Eighties profile, Atari would like to feature Todd Erickson, whose accomplishments are worth commending. He has established a highly successful and respected business in only four years of operating his own route.

With 325 units to operate, Todd has pursued a variety of locations on his route. Many of his street locations have shunned games in the past, believing that coin-operated games have no earning power in their location. Todd has been able to disprove the fallacies by demonstrating the potential of games. Some of his more unusual locations include ski resorts, car shows, and the state fairgrounds games area.

A practical business sense and an opportunistic approach are exemplified in Todd's buying at-



titudes. Unlike most operators in the industry, video games account for half of Todd's new game purchases. As a positive change occurring in the industry, Todd observes a shift in the potential of video games. "Four years ago, videos as a whole were good to marginal. Now videos are the strongest concept in the industry. In my locations, both street and arcade, videos take in more money than pins and require less servicing. Within the last year, Atari Football™, Space Invaders™, and Asteroids™ have shown the strength of videos in terms of steady climbing earnings. Before, in a non-transient location, Sprint 2™ was about the only long-earning piece. This is no longer the case with videos."

Todd tends to stay with locations that have high volume traffic even if they are somewhat seasonal. (He believes there are scores of locations yet to pursue, and this justifies the purchase of new equipment.) In buying a new game, Todd stresses the piece itself more than the price. He feels higher priced pieces may have a longer earnings life. Using Hercules™ pinball as an example, Todd claims he has one of only two of these games in his state. "Because there are so few of them around, the game earned its return on investment in six months, which is great for a game that costs over three times as much as a regular piece."

Maintaining a philosophy that games must be kept clean and in excellent working order allows maximum earnings on all his games. An educational background in mathematics and physics complements his ability to service his own equipment. Todd upholds a preventative maintenance program to avoid unnecessary problems. As a result of his efforts, he claims there is radically less down-time and increased longevity on his games.

Todd also believes in promoting the image of games. He often donates the use of games on free play for local school functions. Not only does this give more positive exposure to the general public, but it also gives free publicity for the operator in school/community media.

In a further outlook into the future of games, Todd anticipates a steady growth. He believes the

home game market has increased the exposure and interest in coin-operated games. Todd realizes there are a myriad of locations yet to pursue — locations in a transient area where people have idle time. In a mode of praise, it has been said that Todd hears the beat of a different drummer, and Atari views this newer entrant to the games industry as an innovative Operator of the Eighties.

New Ad Art Available

Atari is offering free to operators another in a series of ads designed to stimulate location awareness among players by promoting the excitement of playing Atari space action video games.

Ads are complete and ready for black and white reproduction. Operators need only instruct intended publications to insert appropriate location name and address information.

Ads are available in either full (7" x 10") or half page (7" x 5") sizes. Write for free art on your letterhead to Atari Marketing Services, 1265 Borregas Ave., Sunnyvale, CA 94086. Be sure to specify quantity and size desired.

Conquer Outer Space!

Battle enemy spacecraft among the stars. Plot your course through dangerous rock showers with *Asteroids*™. Maneuver your ship to a safe landing on the moon with *Lunar Lander*™. Experience the adventure, the realism of all the video games from Atari Space™.



Promotions for Profit

Beginning this month as a regular feature, the Coin Connection will be showcasing promotional ideas that have been used successfully by operators throughout the world.

Why promotion? Because it's good business. Promotion and publicity can build your location reputation, create enthusiasm, bring in new customers and make your name a familiar one. As competition increases, it's more important than ever before to make your operation stand out from all the others.

Prizes for your ideas.

We need your help. So that we can share your promotional ideas with other operators, we're asking you to send in ideas that have worked in your particular situation.

Send in your ideas, along with your name, company name, address and phone number to:

Editor, Coin Connection
Atari Inc.
1265 Borregas Ave.
Sunnyvale, CA 94086.

Your idea will appear in the Coin Connection. You'll also receive a free gift for submitting your idea.

To start the ball rolling, here are some suggestions that have worked in the past.

ARCADE LOCATION: Tribute to presidential birthdays. Anyone who brings in (cashes in) a bill with Lincoln's portrait (\$5) will receive double or 5 extra tokens/quarters. You can run the promo for the entire month, a week or one day only.

STREET LOCATION: In a bar or restaurant, have a contest that shows a prize value. In a restaurant with games, prize drawing awards 5-10 free games along with free lunch once a week every week for a year... \$230 prize value. (For bar location, free games with free drinks, etc.). Note: Before implementing any promotions, check to be sure there are no restrictive city, county, or state ordinances regarding prizes, tournaments, etc.

We believe "Promotions for Profits" will help. Watch for it every month.

European Sales Increase Forecast

January not only marks the beginning of the new year but also the beginning of a new buying season.

The Europeans started this new year with the IMA Show in Frankfurt, West Germany. This is the German Trade Association Show that was held in Berlin in previous years. The IMA has now been moved to Frankfurt. The show was held on January 17, 18, and 19. The facilities for this show were excellent and every detail was very well organized. The show was a smoothly run and enjoyable exhibition that was well attended. Atari's products were prominently featured on the Lowen/NSM Booth and included Asteroids, Lunar Lander, Soccer and the new Asteroids Cocktail Table.

Atari was represented by Frank Ballouz, Director of Marketing, Sue Elliott, International Sales Manager, Bob Salmons, Field Service Seminars and Darl Davidson, Customer Service Manager.

Asteroids was the game that everyone was excited about—particularly after the German operators heard about this game's collections in the German Beer Bars!

After the German show, Sue Elliott and Frank Ballouz visited Atari distributors in France, Finland, and England.

The annual Amusement Trades Exhibition (ATE) in London was held 8 days after the IMA in Germany. The show dates were January 29, 30, and 31. This made it very convenient for many overseas visitors to attend both shows on the same trip.

The ATE is held in a Victorian-era exhibition hall called "Alexandra's Palace" (commonly called "Ally Pally" by the London cabbies).

This year's ATE was blessed with fair weather and excellent attendance. The show was very crowded on all three days and everyone was well pleased with the results.

Atari was represented by Cherry Leisure of London and The Music Hire Group of Leeds. Once again, Asteroids was the "hit" of the show. Volume orders resulted from both the IMA and the ATE.

We believe that January was an extremely good start to our year and all indications are that the rest of the year will be just as fruitful.

Service Specials: New Promotional Merchandise

ATARI Customer Service will be offering selected promotional items for sale that can be used as prizes or gifts by any Distributor or Operator

to help attract more customers.

The items shown below will be available in March from your ATARI Distributor.



Asteroids (continued)

Typical comments from operators include those of Jim McIntyre, who operates Golden State Recreation in Lakewood, CA. He writes, "Asteroids is a fantastic game with earning potential equal to or above 'Space Invaders'". He also states that Asteroids has expanded his base of players, pulling in new clientele that includes 25-30 year old players.

Asteroids is a unique space action game with explosive rapid-fire action. One or two players are challenged to destroy asteroids and enemy spacecraft. The new Atari-designed QuadraScan™ video display system that offers highly realistic visual effects, space-age sound effects and a new High Score Table round out some of the features.

Operators Tell Us (continued)

Route operators disclosed that:

- Average weekly earnings between video and pinball are not significantly different. In fact, video reaches higher levels than pinball in many instances.
- On the average, a pinball is kept only one or two weeks longer than a video in a street location.
- Significantly fewer service calls are made on a new video (7.8 calls) than on a new pinball (11.7 calls) during the first year.
- Route operators recover video and pinball game costs in nearly the same amount of time (video, 11½ months, versus pinball, 11 months).
- On both arcade and street routes, rotation timing is not different. Generally a new pinball is rotated every 13-14 weeks, while a new video is every 13-13½ weeks.
- Most operators use straight-line depreciation of 3 years or 5 years, equally for both video and pinball games.

The video game is surging in popularity and national attention. Media of all types, TV, radio, magazines and newspapers, are calling attention to the impact of video technology. TV programs probe the future of video technology, creating increasing consumer awareness.

Operators across the country are watching this awareness intensify as reflected in their coin box. Join these operators; critically evaluate your mix of games and watch video expand your profits.

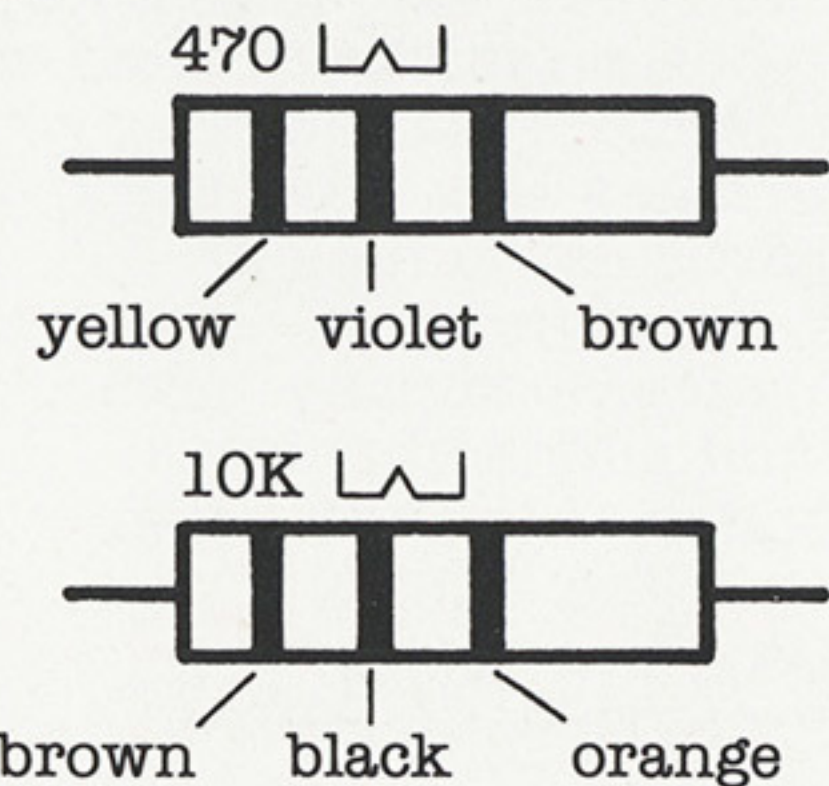
TECHNICAL TIPS

Asteroids™

Please perform the following modifications to your ASTEROIDS PCB's.

Resistors R87, R91, R96, R97, and R98 should be changed from 10K ohm to 470 ohms. To locate these resistors, refer to page 22 in the ASTEROIDS manual (TM-143). The resistors are located at coordinates K-11 and M-11 on the main PCB.

This modification provides 10 milliamps to the open blade switches on the control panel. 10 milliamps is required to insure adequate self-cleaning on gold plated switches.



To prevent phosphor burn when switching from self-test to game mode, perform the following modification to your ASTEROIDS PCB.

1. Clip and lift Pin 9 of K9 (74LS164).
2. Jumper 30 gauge wire from lifted Pin 9 to Pin 15 of M-10 (74LS259) (reset).

Atari, Inc.
1265 Borregas Avenue
Sunnyvale, California 94086

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