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# Merkur sees room to expand

## Dutch subsidiary targeting 20 arcade-casinos

**T**HE Dutch arcade-casino market is by no means mature.

The 276-location established market still has realistic scope for expansion and that is the reason for the increasing interest in the Netherlands from some of Europe's major players, including the Gauselmann Group.

The big German company has its own subsidiary, Merkur Netherlands, currently working on a number of projects to extend its holding in its neighbouring country, confirms Dirk Sondermann, managing director, who was joined in taking responsibility for the company in 2017 by CFO Jochen Clemens.

Located at Boxmeer in North Brabant, Merkur Netherlands has been quietly building a solid base for the group's Dutch ambitions. Victor Holleman, operations director, outlined the plans for the future in the country. "We are seeking new opportunities in the Netherlands and that is not only by acquisition. There are other avenues to achieve our objectives, including applying for new licences.

"Like everything that Gauselmann Group undertakes, it is done in a studied way; we want expansion but it has to be in a healthy way. Could we achieve 20 arcade-casinos in the Netherlands? It is perfectly possible and there is no lacking in energy by the Dutch team to achieve that kind of target."

The Boxmeer headquarters houses an exclusive showroom, an excellent logistics system with stocks of machines and parts and a state-of-the-art workshop. The company also has an office at Hoofddorp, near Amsterdam.

"Due to the marketing and sales success of Gauselmann gaming products in the Dutch market in recent years, there was clearly one logical next step: the foundation of Merkur Gaming Netherlands. We can already see an increase in sales, proving that we have clearly taken the right direction. We are now closer to our customers than ever before and that proximity will continue to be our focus of attention in the future," said Sondermann.

Looking at the overall market in the Netherlands, Holleman considers that in some parts of the country the local market is already well-served with arcade-casinos. "To expand into an already-mature area is not always a good move because you are then dependent upon a limited number of players. A mature market can only exist when governments work with companies like Merkur and permit them to open with long-term licences so that proper investment is realistic."

The Dutch industry, he said, like many others, faces challenges, the latest of which is the possibility of a total ban on smoking, eradicating the existing smoking rooms that most arcade-casinos in the Netherlands currently contain. "We saw an initial downturn in revenues from the first round of restrictions but revenues recovered. I think the same will happen again."

He acknowledges the trend for new licences to be combined with other leisure activities, such as hotels, sports centres, restaurants, retail and other non-competing but sympathetic activities. This is an area, he said, that Merkur Netherlands is working on.

At group level, said Holleman, the key issues in the Netherlands of online gaming legislation and the disposal of Holland Casinos are being kept under close scrutiny. "Both are areas of major opportunity and also major responsibility. I hope that either will fit with our group strategy, but whatever is decided in Germany at group level, we have the resources and the ambition here in the Netherlands to undertake these projects."

He called for closer liaison between government and industry on those projects in advance, to lay down clear guidelines on legislation and



Merkur's Rotterdam arcade-casino

procedures as well as on other key areas such as social responsibility, an area of considerable concern for the entire business.

The company currently has locations in Amsterdam, Rotterdam, Hoofddorp, Almere and Boskoop and plans for several more that are too early in the process to reveal at this stage. Like all of the locations in the Netherlands - indeed, in common with all of the 200-plus arcade-casinos in the Gauselmann Group across 10 European countries - they are all built and presented to the same standards as prime international casinos.

Content for the Merkur locations is not a problem as the subsidiary has immediate access to the group's highly-acclaimed range of equipment, including the current major success the M-BOX.

"The success of Merkur Gaming Netherlands is based on the product development of the M-BOX cabinet with its gorgeous 27ins displays and attractive LED lighting effects," Carsten Kolenda, product manager, explained. "This hardware serves exactly one purpose: it is the ideal foundation for our games, that we completely reimagined for M-BOX. We have bundled these HD titles into suites of 10 games each, so it is a really diverse offering for customers."

The first game dedicated to the Dutch market was introduced at the London ICE show last year and others are now being injected into the Dutch estate. The range for the Netherlands also includes products for general distribution in the country, including some for the street market in the pubs.

Additionally, the participation in January of Merkur Gaming Netherlands at Horecava, the largest catering trade show in the Netherlands, significantly increased awareness of the Merkur Sun in the pub market. "This was especially due to the presentation of the new G-BOX cabinet. We were especially pleased that we were able to convince those patrons who still do not yet offer their customers a range of games," Sondermann said.

"With its compact, yet sturdy cabinet design that has been optimised for pub operation, this high-tech gaming machine combines the latest display technology in HD with ergonomic controls, such as the pinball-style side buttons, and - just like M-BOX - makes it possible to run our latest HD content," added Kolenda.

"Establishing the Merkur Gaming Netherlands branch represents our long-term strategy and commitment for future regional development. Those aspects are also important to our clients: we create a peace of mind for customers' investment in Merkur Gaming products. From a global point of view, Merkur Gaming Netherlands is one jigsaw piece that we have added on our journey of solid international growth. We expect to see more of those national success stories in the near future," concluded Athanasios "Sakis" Isaakidis, chief executive, international.



Athanasios Isaakidis

Carsten Kolenda

Dirk Sondermann