

PITTSBURGH TRIBUNE-REVIEW

Slot fans, casinos in midst of 'golden age of free play'

By [Mark Gruetze](#),
Friday, April 6, 2012

The offers abound at casino after casino -- free slot play here, free slot play there, free slot play everywhere, it seems.

Most slot fans relish the gifts. They're able to enjoy a few spins at no cost and maybe cash out with a profit. Casinos can enjoy the free play, too; like the sale-priced Easter ham at the supermarket, free play attracts many customers who spend more than they save.

Casinos and players are in the "golden age" of free play, says Andrew Klebanow, a principal with Gaming Market Advisors, a gaming research and consulting firm in Las Vegas. Casinos award more free play than any other form of "player reinvestment," including free meals, hotel rooms and entertainment tickets, he says.

The amount of free play awarded by Pennsylvania casinos has climbed consistently since legal slots debuted in November 2006. Hollywood Casino in Dauphin County, which uses the least free play among the state's 10 major casinos, issued \$19.6 million worth in the first nine months of the 2011-12 fiscal year -- an average of more than \$500,000 a week. Sands Bethlehem issued \$89.3 million, or more than \$2 million a week.

Typically, free play is loaded onto a customer's players club card; the player converts it to game credits by inserting the card into a slot machine. Players can't cash out the free play itself; they may cash out any winnings from it.

Some casinos use free play instead of cash-back programs. Slot players accumulate points as they play, and with cash-back, they could redeem the points for money. But casinos couldn't be sure whether that money went back into the machine, was spent elsewhere in the casino or stayed in players' wallets.

Now, those points are converted to free play, which must be put through the machine. Casinos also offer free play in mailers, tournaments and promotions such as drawings.

Astute casinos have specific reasons for their mailed free-play offers, says Jeffrey Compton, executive editor of CDC Gaming Reports in New York.

"You don't send it out because customers earned it," he says. "You send it out with a goal in mind."

For example, a casino might want to draw more customers from a specific ZIP code or drum up traffic on slow nights. Maybe some players are more likely than others to spend their own money after running free play through the machine.

Compton and Klebanow say casinos can hurt themselves with excessive offers.

"If you give too much free play, it reduces the share of the wallet you're going to get from a customer," because players budget both time and money for a casino visit, Klebanow says.

Casinos can reduce their costs by using free play in place of prizes such as cars. **Free play is not taxable to casinos -- at least not yet, Klebanow says. Although rules vary by jurisdiction, players typically have to pay taxes only on their winnings from free play.**

John Stone, vice president of client services for CDC Consulting in Las Vegas, says high-rollers sometimes receive thousands of dollars in free play as an inducement to gamble at a specific casino. **In some areas, the slot machine hold percentage has dropped dramatically because of such free-play deals, he says.**

Low-rollers can learn how to qualify for additional free play, says Compton, author of the "The Las Vegas Advisor Guide to Slot Clubs," published in 1995 and one of the first books to tell players how to get the most out of players club offerings.

"Every place I know of bases (free play) on how much you play," he says. "Keep a record of how much handle you put through on what day and what time, and see how your free play ties in."

For example, a player at a \$1 video poker machine has a "handle," or total wagers, of \$3,000 in an hour of play, based on a rate of one hand every 6 seconds and a bet of \$5 per hand.

Players also should note the "lapse time," or the period between their play and the free-play offer.

"Chat up the people at the booth and see what they know about it," Compton says. "Any player trying to save money but still play should make it a goal to know more about the club than the people in the booth do."

Check for extra benefits, such as discounts at outside businesses or a monthly car wash.

And enjoy the free play when you get it. You never know when the golden age will end.

Read more: [Slot fans, casinos in midst of 'golden age of free play' - Pittsburgh Tribune-Review](http://www.pittsburghlive.com/x/pittsburghtrib/ae/gambling/s_790232.html#ixzz1rmqQAtQN)
http://www.pittsburghlive.com/x/pittsburghtrib/ae/gambling/s_790232.html#ixzz1rmqQAtQN