

Commerce

Casino Game Makers Outline a Winning Strategy on Facebook

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Remember, the house always wins.

Increasingly, that phrase can be applied not only to Las Vegas casinos, but also to Facebook, which takes a 30 percent cut of game developers' revenues for the right to be on the social network.



"Facebook is almost the same

business [as casinos]," said Chris Satchell, CTO and EVP of research and development at International Game Technology, which makes both traditional casino games and social games. "Facebook has real estate and customers, just like the casinos."

Since 1981, IGT has been developing and manufacturing slot and video poker machines for casinos. Some of its games include recognizable brand names such as Wheel of Fortune, Big Buck Hunter, The Hangover and Sex and the City. Now, the casino game-maker is trying its hand at social games.

To make the leap, in January <u>IGT acquired Seattle-based Double Down Interactive</u> for \$500 million. This week, the company launched their latest social game, called American Idol Slot, within Double Down's casino on Facebook, which ranks in the top 25 by drawing 5.4 million gamers a month.

The American Idol game lets people spin the wheels featuring the faces of Season 11 contestants with host Ryan Seacrest looking over their shoulder. The free-to-play game allows you to win additional chips. Those who aren't as lucky can buy 75,000 for \$1.

The company says the game was in development prior to the acquisition, but says it is an example of how the two companies make a great fit.

Satchell said the idea is to enable cross-platform gaming experiences, so that players can connect to games before, during and after visits to casinos. Obviously, using big names helps.

But he also sees Facebook as a way to introduce casino games to a younger crowd, who are more likely to go clubbing at a casino than play highly profitable slot games.

"If we could just get them to understand that it's fun. Social gaming is a good way to do that, and it's a good business in its own right," he said.

It's a good business now, but it may be an even better business in the future when online gambling is legalized.

Late last year, the Department of Justice issued a new interpretation of the Wire Act of 1961. Under the new ruling, it interprets the Act as only outlawing bets on sporting events — not all events and contests. With that clarification in place, it will now be up to each state to pass legislation outlining operating procedures.

Some states have already passed laws, encouraging several companies, including IGT, Zynga and Caesars Interactive, to place their bets.

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