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Is slot machine gambling coming to your phone?

Parx Casino wants to attract more young gamblers with gambling on mobile devices. Would Sands follow?



A look at the BetCloud system Parx casino executives would like to use to enable gamblers to

play slots machines over their smartphones and tablets. (WMS GAMING, CONTRIBUTED PHOTO / April 30, 2014)

By [Matt Assad](#), Of The Morning Call

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The typical slot machine player in Pennsylvania is a 60-year-old woman who owns a home and earns a middle-class wage, but if executives at Parx Casino get their way, she will soon be joined by a gaggle of millennials playing slots on their smartphones.

Hoping to entice barely legal gamblers to play slot machines, Parx Casino wants to give people the ability to play from their smartphone and tablets, perhaps while they update their Facebook status or scan their [Twitter](#) feed.

The change wouldn't be the kind of online gambling that's legal in New Jersey and Nevada — but not in Pennsylvania — because all the gambling would be done over mobile devices from inside the casino. But it's a controversial plan that casino executives say is necessary to grow their industry, while critics say it's a blatant attempt to get new gamblers hooked soon after their 21st birthday.

If the plan is approved, analysts say, smartphone gambling would almost certainly become commonplace in casinos statewide as every casino follows Parx's lead.

The question the Pennsylvania Gaming Control Board will have to wrestle with is, should it?

"For whatever reason, young people don't seem to want to sit in a casino at a slot machine," said John Dixon, chief technology officer for Greenwood Gaming, which owns Parx Casino. "But they like to play games on mobile devices. The idea is to create more revenue for us and the state. Our fear is that if we don't start doing something, we're looking at an aging population and falling revenues."

Falling revenues would be fine with Les Bernal, national director of Stop Predatory Gambling. Drawing more young people to gambling would not.

"They already have a bunch of middle-aged women losing their paychecks in the slots and now they want to extract money from young people and college students," said Bernal, whose Washington D.C.-based group opposes government-sanctioned gambling. "This is a willful attempt to hook young people early so they have them for life."

Parx executives rolled out their plan before the state Gaming Control Board last week as an informational session, but made it clear they'd be back for approval in three to six months, after they first get approval in Nevada.

If approved at Parx, experts say every casino in the state would jump on board. Ron Reese, a spokesman for [Las Vegas Sands Corp.](#), which owns Sands Casino Resort Bethlehem, said it's

similar to the system Vegas casinos use to allow patrons to make sports bets on their smartphones.

"We're already using very similar technology in Las Vegas," Reese said. "Obviously, if it came to Pennsylvania, we'd keep an eye open to any new business opportunity."

Called BetCloud, the system would enable casino patrons to play a variety of slot machine games, blackjack, poker and baccarat over their mobile devices. The casino would provide kiosks that could enable the players to use devices provided by the casino, but the more common scenario would have the player accessing the games through their own smartphones.

Rather than sitting at a stationary slot machine, the mobile device users would be in a sort of social lounge, with loud music, video screens and alcohol.

The technology provided by WMS Gaming would use Wi-Fi to enable players to access the games on the casino floor. However, because online gambling is not legal in Pennsylvania, it would not be available anywhere outside the casino floor. To prevent the signal from leaving the floor, WMS would use "Bluetooth beacon" technology, capable of measuring where a patron is playing within a few inches, to shut the game off if a player leaves the floor, said WMS Chief Technology Officer Steve Beason.

While players would be able to do other smartphone activities – Facebook, Twitter, surf the Internet — while they play, they'd only be able to play one slot machine or game at a time. The single-game policy is necessary to give the casino control over how many games are running at once, because Pennsylvania law limits all state casinos to no more than 5,000 slot machines.

WMS Gaming, which has a license to provide slot machines in Pennsylvania, has a request to begin mobile gaming in Nevada, but if that's approved Pennsylvania will be next. The only other place using it is Norwegian Cruise lines, Beason said.

"The idea is to create a hot spot inside the casino — one that would not be available to anyone outside the casino," Beason said. "New players or a younger demographic, seem to need to have three, four, five, six things going on at one time. It's all browser-based. None of the games really reside on the phone. It's just being shown on the phone, the same way a TV program is shown."

There have been few studies modeling the demographics of who plays slot machines, but the most recent one by the University of Oregon found slot machine players are predominantly older women, while younger players prefer table games such as blackjack and poker. In that study, 82 percent of frequent slots players were between 45 and 74 years old, while just 4.5 percent were younger than 34, said Dr. Sandy Chen, who conducted the 2012 study.

The challenge for Pennsylvania casinos is that they make a lot more money on slot machines than table games. In addition, the odds for slot machines are much worse for players, adding to the casino's take.

Statewide, slot machines return roughly 90 percent of money wagered — a 10 percent house advantage. Conversely, a skilled table games player can cut the house advantage to less than 0.5 percent.

As a result, not only do slots represent 77 percent of all casino gambling revenues statewide, but they cost a lot less to run because they require few employees.

In Pennsylvania, slots are the big money maker and younger people aren't playing them.

Casino executives are hoping mobile gambling will change all that. Natasha Dow Schull, an [MIT](#) professor who wrote the book "Addiction by Design" said the use of mobile gaming is like a "set of training wheels" that casinos could effectively use to get younger people into slot machines.

"It's definitely going to increase their revenue," said Schull, whose 2012 book showed how modern slot machines are engineered to foster gambling addiction. "Mobile gaming is the next frontier."

However, Schull said she did not believe gambling on a smartphone or tablet would be nearly as addictive as today's slot machine, largely because it defies one of the key elements that make slot machines so hypnotic — uninterrupted monotony.

"This would allow players to be up, moving around, and I assume checking other applications on their phone," Schull said. "Those distractions alone would probably make it less addictive."

Parx executives argued that it's really just another way to give their patrons an experience they enjoy. And the same safeguards that keep underage gamblers from getting into the casino will be keeping them from getting into an area where mobile gaming is allowed.

Dixon said Parx hoped to get approval to use the system in Nevada in the next three months, and expected to be back before the Pennsylvania Gaming Control Board immediately after that. At least one of the questions the state will have to consider is whether it constitutes online gambling — an option that is not legal in Pennsylvania.

Dixon said it is merely allowing slot machine gambling that's clearly allowed by state law, in another form, within the confines of the casino.

"We haven't even had a chance to look at this thing in our lab," said gaming control board spokesman Richard McGarvey. "Obviously, we're going to have many things to consider. Many things."

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