

## Card games in Casinos - an opportunity for live action games?!

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The casinos in Germany currently have to deal with large decreases in turnover and the number of visitors in slot machines. There are many reasons for this and can not be solely attributed to lawmakers as representatives of the branch have been stating in their press conferences and in their financial reports. What is relatively clear is that the EU initiated smoking ban, originally introduced to protect employees, is responsible for a fall in turnover between 15 and 20 percent. Everything else may be more or less "home made" and can be attributed to casino companies and/or their employees in many cases:

- a poorly located casino,
- an offering of games no longer qualitatively or quantitatively suitable to the guests,
- a neglected communication with guests and target groups,
- the absence of or an unclear boundary to the game offerings of legal competitors, etc.

And those are just a few of the potential causes which have accumulated over the course of many years and have contributed to the fact that a number of the 80 casinos in Germany in 2009 find their very existence seriously threatened.

In addition, there is the analysis of the reasons why thousands of potential casino guests have "voted with their feet" and have turned their backs on the casinos which comes to a powerful conclusion: successful therapy can only be applied on that which has been correctly diagnosed.

Which road shall take us out of this crisis?

Across the country, attempts are being made to provide appropriate facilities for guests as a result of the smoking ban. There where the design of the buildings and State law allows for it, the casino halls shall be separated into smoking and non-smoking areas. **Mixed-Gaming**, the placing together of offerings of large and small games, of table games and slot machines, is a long overdue trend, which is being introduced in a number of casino locations and – when implemented properly – shall result in a significant increase in the attraction of the casino.

Those who do not do their homework properly **today** shall be more profoundly affected by the crisis **tomorrow**. The casino companies who shall count among the sustainable successful companies in the future shall only be those who currently have the full support of their staff. Such companies shall not only have highly motivated employees who are customer oriented in an appropriate environment "service pays", they will also recognise the trends of tomorrow today and creatively and appropriately implement them into the casino's development.

It took far too long for the casinos to – according to leading opinion – discover the **game of luck poker of the Texas Hold'em kind**. It took up until the spring of this year for the casinos in Southern Germany, other regions reacted much earlier with the introduction of "Poker floors" or at least with regular poker tournaments aimed at one target group. In doing so, the "home grown" were those who could have provided a professional organisation, coordination and implementation of this game at any time – taking the legal restrictions into account – and should have done so.

It is clear that the casino companies had serious problems to react to an increasingly aggressive slot machine market in a sustainable and effective manner.

There is no doubt that the amended Federal gaming ordinance of 1st January, 2006 brought about a much stronger degree of player protection and in the prevention of player addiction. Here, to grant a niche in the sector which has given paltry excuses and not serious reasons is dishonest and places casino jobs in jeopardy and does not pay due respect to the integrity of (health and gaming) policy.

However, it is not enough to point the finger at others whilst not doing anything to meet the new circumstances.

At least **one** solution is clearly available: The focussing on the core business, the LIVE ACTION GAME, which – in order to be competitive – needs to be comprehensively reorganised, its quality improved and continuously developed.

The table game needs to catch up

It is astonishing: Each year, representatives of the gaming industry from all over the world present their innovations at the International Gaming Expo (IGE) in London to a specially chosen expert audience who are looking for the ultimate, the newest, the most modern and their implementation – it can't happen quickly enough. Presented in London in January; introduced into the local casino in spring. Everybody wants to be the first, to be ahead of the competition by a nose. But always only in the field of **slot machines**:



The introduction of a cashless system (Casino Flensburg), the reintroduction of Black Jack – multi-player facilities (Casino Bremen and Casino Hannover) or the automated Poker player system PokerPro (Casino Wiesbaden and Aqua-marine casino Seevetal) are just a few examples of recent years, which prove that the casinos were ready to introduce unproven new products for the first time – to test their effectiveness in the market. These test phases were not always successful. Some of them flopped, but it tried out because the casinos wanted to keep its guests technically up to date.

Why doesn't the same sense of experimentation exist in the area of table games?

Are Roulette, Black Jack and Poker the only casino-worthy games of chance?

It can not be the fault of the much criticised legislature that the casinos across the country have limited themselves to a great extent to Roulette and Black Jack.

On the contrary: the **States' Gaming ordinances** list a number of different games of chance which do not in any way base profit upon the decisions of the Roulette pits. In addition, there are **extension clauses** for new and innovative games in most states.

Does it always have to be Roulette?

Roulette and casino belong together: the spinning elegantly design roulette wheel has always been the classic synonym of the game of chance. The "men in black" who as Croupiers direct the game – when implemented properly – provide the highest degree of seriousness, professionalism and casino atmosphere. Indeed, everything that makes a casino what it is.

However, who says that the large or classic game offering has to be composed of a number of Roulette tables? Isn't it the fact that almost all the new casinos are solely slot machine houses that has contributed to the destruction of the myth of the casino?

Why shouldn't some of these casinos, faced with declining attendance, add a number of table games to their offering of slot machines, and hence re-position themselves in the market?

It is of course not to be expected that the demand for such games would fill their extensive opening times – but why not offer such games to the guests only on particular days (e.g. 4 or 5 days a week, or as part of particular events) or only at particular times (e.g. from 8 – 12 p.m.), to suit **demand**?

In any case, the "everything or nothing" philosophy does not enable to recapture of market share – flexibility and diversity are called for.

Card game **Twins**<sup>®</sup>

He who as **competitor keeps his eyes open**, can not escape one particular innovation: the card game **Twins**<sup>®</sup>. Does this game have the potential to make table games attractive for the guests once again?

**Game developers from Liechtenstein**, each with significant professional experience, created a card game in 2008, which they presented to a wide public for the first time in January at the IGE 2009. The most remarkable aspect beside the professionalism of the presentation was the quality of the information-packs which were made available, offering potential “decision makers” a complete **marketing concept delivered on a silver platter**, together with:

Training programmes and handbooks for the gaming experts, promotional flyers and **Game instructions** up to well designed “casino-typical” Layouts for the tables. An **all-round carefree package** that would, therefore, not have to be designed meticulously again from scratch by the casinos themselves.

With a payout ratio of casino-typical 90 percent of the stakes placed, tested and verified by a renowned Swiss mathematician and economist, the game – thanks to its minimal operational, follow-up and investment costs – should prove an interesting and economic proposal.

And all this is comprehensively available in **German**, which speeds any potential introduction to the market, one of the main barriers to obtaining permits particularly in the field of innovation in slot machines is the need for the entire documentation (system descriptions, certificates, etc.) to be translated from English. (That descriptions on the machines themselves are often badly understood by guests due to the fact that they are in English is an unacceptable state of affairs, which is only mitigated by a small number of casinos which offer multi-lingual game instructions.)

Since each year many German casino companies visit London with their senior management and purchase management, they could have informed themselves shortly after the exhibition about the possibility of the game gaining a licence in Germany. What could be a better reason, in times of economic difficulty, for a company to bring innovation to its customers and to keep them up to date?

Nothing of the sort: everywhere negative reports.

## Legal hurdles?

This is reason enough for examining the possible reasons for this lack of interest in the sector:

Firstly, one should ask with each game if it possesses the necessary “game of chance” characteristics, that is if it comes under the definition of a game of chance and therefore limited to being offered by state-licensed casinos (or lottery companies).

The answer is provided by paragraph 3 of the Game of Chance Treaty, which always decrees a game of chance when during the course of the game a fee is demanded for the chance to win and when the chance of winning is solely or predominantly influenced by chance. The decision about the winnings is determined by chance in every case when the unknown can take place or the result of future events is significantly unknown.

This is categorically the case with **Twins**<sup>®</sup>:

The player bets on various combinations of card values and card symbols, which is indicated by the placing of stakes on the appropriately marked fields on the card table (Layout).

The winning decision, i.e. the decision, if the prediction is true or not, is obtained by drawing of two consecutive cards from a shuffled deck (via a card shuffling machine or a cut card) which is made up of at least two 52-card decks.

The values of the cards is the same as in other card games which are offered by casinos (2, 3, 4, 5, 6, 7, 8, 9, 10, Jack, Queen King, Ace). The value cards from 2 to 10 are worth as much as their printed value, the picture cards are worth 10 and the Ace is worth 11 points.

The nature of the bets, i.e. the prediction of potential outcomes is just as brilliant as it is easy and is similar to typical casino bets, as is customary in Roulette:



For example:

- Is the first card higher or lower than the second card drawn by the dealer (Hi/Lo), (and vice versa),
- in which area does the sum (amount) of the two cards lie (between 4 and 12, 13 and 16 or 17 to 20),
- which pair combinations, i.e. which twins (same coloured picture cards, pairs of numbers, pictures, etc.) shall be drawn?

The payout plan is as easy and memorable as the bet itself, which is depicted on the Layout itself in order to promote understanding and transparency:

The win ratios span from 1:1 (Hi/Lo-bet) through 2:1 (right sum) up to 400:1 in the case of correctly predicting a particular picture combination.

In addition, the Liechtenstinians offer superlative forms of their game idea (Jackpot Twins® and Ultimate Twins®), which – for the live action game provide exceptional win ratios for both regular players and for newcomers – win ratios up to 5000:1 of the stake.



Such a game is not currently offered by a single casino in Germany and even those few with innovative additional offerings (such as Casino Wiesbaden, which for example has offered its guests attractive win chances with Joker Jack), have difficulties keeping up with such win-possibilities.

Do the various State gaming ordinances not permit the introduction of such a table game?

Basically the **Gaming Ordinances** of the casino companies provide significant scope for decisions. If you compare various games which (theoretically) qualify for licensing with that which is actually currently on offer in the casinos, the result is disappointing:

Roulette (normally as American Roulette), Black-Jack and Poker (predominantly in the Texas Hold`em variety). Is that really all that the casinos have to offer in order the distance themselves from other competitors offering other game of chance games?

If when the gaming ordinance of the particular state does not **explicitly** name a particular game, they provide for an equivocal license through the responsible authorities. The criterion is of course that the game has to be a game of chance. This is without doubt the case with Twins® (see above).

It also can not be maintained that new games go against the objectives of the **Games of Chance Treaty**. Firstly, the Poker game in Southern Germany could never have been introduced and secondly: how can a casino channel game of chance players and hence fulfil its legal responsibility when it can not react to demand or can not attract a blatantly obvious source of potential demand?

Nevertheless: in mid May 2009 there is not a single casino in the whole of Germany which offers the potential to recover "lost territory" with an innovative gaming idea.

This is disappointing, since the sector and its employees need such an innovation at this time.

Casino companies in neighbouring countries are evidently more creative and more willing to experiment: the Admiral Casino, not far from the border crossing at Hate in the Czech Republic, offers this game to its guests since the end of April.

According to reports with great success: guests and the casino are very satisfied with this new game.

### Conclusion

The concepts of yesterday do not offer solutions to problems which, at some locations, as existential. **A qualitative and quantitative new orientation of the gaming offering in the casinos in Germany is well overdue.** This can be achieved when all the agents involved (companies and employees) sit down at the table, concentrate on their strengths and place their guests at the centre of all their efforts in order to come up with an attractive and dynamic selection of games. At the re-openings after refurbishment and the new openings of the coming weeks and months a re-orientation should be clear to see.

There is no alternative. Already there are clear signs in the market that not all casinos in Germany shall be able to survive. The question remains if the current 80 or so casinos which exist in 2009 shall be reduced to between 30 and 50 which can continue to exist in the coming years.

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