



Glory Days: At the height of its glory in the 1950s, the Sands Las Vegas hosted its share of high profile guests including Rat Packers (pictured left to right) Peter Lawford, Frank Sinatra, Dean Martin, Sammy Davis Jr. and Joey Bishop.

# The Casino Gaming Industry— A Generational Perspective

By Glenn E. Wichinsky

**A**s a second generation gaming executive, I have witnessed incredible changes in the casino gaming industry. While these changes have often been difficult for me to fully take in and comprehend, I think they can be best understood by taking a long view of how the casino industry has evolved.

My father, Mickey Wichinsky, was an early pioneer of the Nevada gaming industry and began his journey through the gaming industry at the Sands Hotel and Casino in Las Vegas in the mid-1950s. During my early teen years, I would travel to Las Vegas to visit him and stay at the Sands Hotel. These were the times of the Rat Pack, with Frank Sinatra, Dean Martin and Sammy Davis Jr., often in plain view on the casino floor and hotel premises where they entertained friends and guests.

Dress attire was more formal and classy in the hotels during this era and the casinos preferred to cater to the high rollers. Guests were paged over the public address system when they were receiving a phone call through the hotel operator.

Cellular technology and smart phones were in the unimaginable future, and the younger generation had not become what rock star Tom Petty calls “palm gazers.”

This was a time where people went to majestic hotels and elegant casinos to be seen and entertained. A walk through the now extinct Riviera Hotel and Casino evidenced brilliant plush red carpets and crystal chandeliers. Patrons were expected to conform to a dress code. There was live entertainment and headliners to enjoy, with musicians and live orchestras accompanying them in their showroom performances.

Times have now changed: the names of headline entertainers are no longer as prevalent on hotel signage as they once were; orchestras are no longer a fixture of

live entertainment venues; and the observed dress code that is now more commonplace with many guests and patrons in a hotel and casino involves wearing tee shirts, shorts, a baseball cap and carrying a can of beer.

Gaming, in some manner and fashion, has always had an attraction in society. To some, it was an opportunity to become lucky at a game of chance and to walk away with unexpected riches. To others, it can be a means of escaping the challenges we face in life, to place cash or other monetary consideration into a gaming device and to press a button endlessly into the day or evening while staring into some foreign or distant space. Yes, there are still serious gaming players that you will observe in the casinos, but there are also many casino guests and patrons who sit in front of a gaming machine and play the game just to pass time. Often, when successful in winning their jackpots, many do not even fully comprehend why they even won. It is entertainment at some level within a person’s own mind.

The early days of Vegas was a time when people dressed to the nines to be seen and entertained at elegant casinos.



PHOTOS BY THE LAS VEGAS NEWS BUREAU

My father devoted fifty years to the gaming industry. Although I followed in his footsteps and have been actively involved in the gaming industry for over thirty years, I am not a gambler. Maybe I have placed \$10 once in a while in a video poker machine with an attempt to hit a royal flush, but never more than that. The reason was a basic principle that my father taught me. This was the setting and lesson that I was given:

When I was seventeen years old, I

was sitting in the coffee shop of the Stardust Hotel with my older brother Steve. I spent most of my childhood years in Miami and I was visiting Las Vegas. We were sharing some time together over vanilla milkshakes. Steve asked me to look up at the wall of the restaurant at what he referred to as a Keno Board. He asked, "Did you ever play Keno?" I had never heard of it before. Although I was underage at the time, he gave me a Keno card and black crayon and instructed me to place an X

over eight numbers. He explained that if I matched at least five of the eight numbers, I would win money. I didn't give it much thought, marked off eight numbers, and returned the marked card to my brother, who gave the Keno card to a Keno runner along with a \$1.20 bet.

When the game began, I watched the twenty called numbers begin to appear on the lighted display, one at a time. I told him that I had five matching numbers, then six, and then seven of eight! My brother

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grabbed my stamped Keno card from me, looked in amazement at the Keno board which had displayed the results of that particular game, and literally ran across the casino floor to redeem the winnings at the casino cage. He returned to the restaurant with \$2200 in his hand and then gave me about \$300. He said something about having to pay taxes!

I saw my father that evening and told him what had occurred. I thought he would be happy for me, but he wasn't. What followed was the one and only time in my entire life my father ever reprimanded me. He made it unmistakably clear that if you want to be successful in the gaming industry, you don't gamble! This is no different that if you owned a liquor store and acquired a desire for drinking alcoholic beverages, he said. Over his years in Las Vegas, he told me, he had seen too many people shatter their lives because they could not limit their gambling.

My father then told me about some people I knew who had operated small, wonderful restaurants in Las Vegas that we would often frequent. There was a small speakeasy-type Italian restaurant on the east side of Las Vegas. The owner/chef made spectacular, authentic entrees and posted his daily menu by hand on a blackboard. But his restaurant had closed. He had lost his customers not to competition or a decline in the quality and service. Rather, his restaurant closed because he had acquired a gambling addiction and spent his profits in the casinos. When he lacked money to purchase food supplies and merchandise for his restaurant, he began to approach his regular customers for personal loans. Ultimately, my father told me, his gambling addiction cost him his business. This same scenario played out far too often in Las Vegas and elsewhere, and my father was adamant about how his children should never partake in the industry that they

rely upon for their income, their career, and their future.

So today, I continue to actively participate in the gaming industry as a gaming attorney, gaming executive and consultant. But the conflict about gambling which was planted in my mind many years ago is still present. Though some may think it is paradoxical to avoid gambling when I earn my living from it, my father's lesson was a powerful one.

## CHALLENGES AHEAD FOR THE GAMING INDUSTRY

The casino audience is changing by the minute. With some trepidation, industry leaders are exploring ways to attract the next generation of gamblers, the Millennials. What will it take to entice these people into spending their "discretionary dollars" in traditional casinos? Is the answer social gaming mobile apps and other online applications? The gaming industry knows that figuring this out is vital to the future of the industry.

The gaming industry maintains that almost all gaming and casino players can be financially responsible and can self-regulate their gambling conduct. The gaming industry refers to this concept as "responsible gaming." Can people truly regulate how much money they will spend in pursuit of gaming or entertainment value in a casino? Many of us can, but sadly we know that a portion of gamblers cannot resist the urge to play one more hand or one more game. This issue continues to be researched and actively addressed each day in our industry. I will reserve my opinion on this issue for another time.

If we view the desire to gamble from a generational perspective, we can chart a course beginning with the era of my grandparents. My grandparents came to the United States at the turn of the 20th century from Eastern Europe. My maternal grandfather, I have been told, boarded a passenger vessel in Holland to come to America. At the time, he had absolutely nothing to his name. However, after playing in card games on the vessel during a three week transatlantic journey to America, he had enough money in winnings upon arriving at Ellis Island in New York to begin his trade and business as a barber. By gambling, he had nothing to lose, and everything to gain.

My grandparent's generation enjoyed the excitement of horse racing and its social environment. Spending a day or evening at the racetrack was both a form of gambling and a type of social connection. They would study the past performance of the horses and jockeys and make the best educated guess on who would win.

But as we know, over the years, there has been a decline in interest in the horse racing industry. This began with my parent's generation who enjoyed the casino gambling and live entertainment scene which was prevalent in the 50's and 60's. A day of sitting in the stands at the race track on a long, hot afternoon lost much of its appeal.

With the decline in revenues at the race tracks came attempts to save the horse racing industry with the introduction of "racinos." Racinos are casinos which operate at regulated horse racing venues.



PHOTO BY TOM BRIGLIA/PHO-

In a way to attract the Millennials, GameCo's debut of its Video Game Gambling Machine (VGM) provides gamers with the opportunity to gamble playing video games at the casino for the first time ever. The premier game, titled "Danger Arena" is a first-person action video game in which player skill determines the payout.

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While racinos have not saved the traditional horse racing industry, they have provided some level of revenue to those who rely on the horse racing industry as investors, participants or employees.

My parent’s generation as well as many “baby boomers” continue to frequent casinos to play table games or the gaming machines operating on the casino floor. But as this population demographic ages, and the need to address medical bills and other issues facing a senior population increases, the industry fears a decline in revenues from the traditional regulated state casino gaming venues. In fact, in looking at the preferences of Millennials, the casino gaming industry accepts as inevitable that gaming revenue will be supplanted by the dollars generated through the entertainment activities that Millennials favor over gambling.

As Millennials spend their discretionary dollars in nightclubs and drink, hopefully, in a responsible manner, they will establish their own social culture just as my parent’s generation did in casinos, and my grandparent’s generation did at horse tracks. We have taught our children to be responsible, to seek a good education to launch their lives and careers, and not to spend their money recklessly. Their focus is to be successful and to be financially responsible. Maybe we did too good a job raising our children to become responsible young adults. Whether the traditional casino gaming industry that we continue to work within today will suffer as a consequence is still to be determined.

There have been industry efforts over the years to seek enhancements to the traditional gaming venue to generate new and sustaining revenues. Gaming companies are pursuing mobile gaming to generate additional incremental gaming revenue from patrons who wish to gamble while having a meal in a hotel restaurant or laying out at the hotel pool.

Some companies dream of establishing “in-room gaming” so that guests can operate a gaming device from their hotel room that links them to a game on the casino floor. Most of these efforts have created considerable noise but little significant additional revenues to traditional land based casinos.

The latest effort to address the loss of seniors and Baby Boomers in the traditional casino market is to attract the Millennials with skill-based gaming devices. This initiative is based on the belief that younger gamblers will simply not be satisfied with feeding slot machines money without any control over the outcome. After all, these are people who grew up playing video games where skill was very much a determining factor in winning or losing.

As the industry attempts to address the potential for this form of gaming, questions have been raised: how do we determine the level of skill that needs to be incorporated into the game to make it appealing to the video game generation? If Millennials prefer their gaming to incorporate some element of competition, the traditional gaming casino floor will need modification. Separate gaming areas with displays and competitive tracking of scores will be needed. What about the extended “play cycle” that would be necessary to offer someone a truly challenging skill-based game that would be interesting and entertaining? A less frequent play cycle traditionally equates to lower gross gaming revenues. Possibly the value element to the casino operator is based upon a time play with revenues achieved periodically throughout the cycle of the customer playing the skill-based gaming device.

The gaming industry will continue to evolve. Those who work within our industry must exhibit the creativity, ingenuity and talent once seen as exclusive to the computer industry. There are challenges ahead, and it will be essential to “think outside the box” and to be realistic in our strategic approach. Just as the gaming industry changed from my grandparent’s generation, to my parent’s generation, and so on, the casino gaming industry will need to transform itself once again to meet these generational challenges. ♣

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