



WEEK 45

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THIS WEEK

- Japan casino vote 'to be postponed'
- 888 reports record revenue
- Columnist: Shahar Attias reacts to EiG
- Tweets of the week

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TOP STORY

MACAU REVENUE HITS RECORD LOW

Figure drops for fifth consecutive month

Photo: Rob Young (flickr.com/photos/rob-young)



Grand Lisboa hotel and casino in Macau

Macau casinos have suffered their worst month on record for revenue generated. The Chinese region has suffered a 23% year-on-year decrease in revenue for October, reaching a record low of 28 billion patacas (\$3.5bn), according to government data released on Tuesday, representing the fifth consecutive month that the figure has decreased.

The 23% drop is also a record, beating the previous biggest fall of 17.1% during the global financial crisis of January 2009. The downturn follows two years of growth which had seen Macau's 33 land-based casinos eventually generate seven times the revenue of those in Las Vegas.

The poor performance of the former Portuguese colony could be put down to a lack of tourism after China restricted access to Hong Kong following pro-democracy protests there, as many people combine trips to the area with visits to Macau. The Macau government has also reduced the number of days visitors can stay.

There has also been a 17% decrease in VIP gambler revenue, with data from the Macau Gaming Inspection

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and Coordination Bureau showing that VIP revenue accounted for 56% of total revenue, which is another record low. This could be due to China's two-year anti-corruption campaign.

Macau has also curbed usage of the popular UnionPay credit card, which many of the region's gamers utilise.

There is a chance that Macau could post its first ever annual fall in revenue if figures do not improve by the end of the year. The market has recorded improved results every year since it opened to foreign casino operators in 2004.

Sheldon Adelson, chief executive of casino operator Las Vegas Sands, which operates in the region, believes that the figures will get better. He said: "It is only a matter of time before the cycle reverses itself. No-one has ever suggested that the behaviour of Chinese and Asian people, which has been established over a 3,000-year history, is going to change."

Macau is the only part of China in which casino gambling is legal.

KEY POINTS

- Macau casino revenue reaches record monthly low of \$3.5bn
- Region's 23% year-on-year fall is also a record
- Lack of tourism and VIP gamblers have contributed to the decline

LEGAL

JAPAN CASINO LEGALISATION SET TO BE INDEFINITELY POSTPONED

Latest vote delay hits Olympic hopes

Lawmakers in Japan are poised to indefinitely postpone a vote on the legalisation of casinos in the country, sources involved in the matter have told Reuters. Prime Minister Shinzo



Abe doesn't apparently possess enough political leverage to pass the bill – a law that casino companies MGM Resorts International, Caesars Entertainment and Las Vegas Sands have been keen to see implemented.

Abe has strongly supported the idea of legalising casinos as part of his plans for economic growth, and it has been estimated by CLSA, an independent brokerage and investment group, that the move could generate annual revenue of \$4bn.

Pro-casino lawmakers will attempt to carry the vote over to the next parliamentary session in 2015, although one lawmaker has vowed to push for the bill's passage before the current session ends on 30 November.

A delay would all but rule out the possibility of casino resorts being built in the country before the 2020 Olympic Games in Tokyo.

KEY POINTS

- Legalisation of casinos in Japan set to be indefinitely postponed
- Prime Minister Shinzo Abe said to lack necessary political leverage

ONLINE

888 HOLDINGS POSTS RECORD REVENUE

Growth recorded across major verticals

Online gaming firm 888 Holdings has reported record total revenue for the third quarter of 2014. A 22% revenue increase to \$114.2m has been registered by the Gibraltar-licensed business for the three months to the end of September.

Year-on-year growth has been recorded across casino, poker, bingo and emerging offering, with the firm also reporting a 16% increase in registered real-money users for sport, poker and casino, which now stands at 17.3 million.

The firm's B2B revenue has also improved by 41%, driven by its US and bingo operations.



Tweets of the week

"PokerStars can, unfortunately, afford to take some modest or even somewhat aggressive steps that are not customer friendly" *PocketFives co-founder Adam Small* [[@AdamLoebSmall](#)]

"Why is racing so obsessed with cosying up to the big arcade owners?...it can't be a good long term business plan for the sport" *Bettingexpert.com editor Stephen Harris* [[@Stephenh61](#)] on the appointment of Ladbrokes' Nick Rust as British Horseracing Authority CEO

"NJ asks court to not include other sports in injunction in #sportsbetting case, how can leagues argue irreparable harm from bets on NASCAR?" *Ifrah Law associate Griffin Finan* [[@G_Finan](#)]

888 CEO Brian Mattingley [pictured] praised his firm's "superior" casino technology.

KEY POINTS

- 888 Holdings reports record revenue for Q3 2014

GUEST COLUMNIST

"THE EiG SHOW, FROM A TO...J"



by Shahar Attias
*I-Gaming
Consultancy CEO*

Affiliates. Or rather, the lack of them. This year the conference

wasn't co-located in the same city as the affiliates' weekend festival. That means we hardly saw any traffic generators on the floor, as well as fewer marketing executives from operators who didn't bother with the extra trip. Was this a good idea? I don't think so, as I believe that co-location is good for everyone.

Berlin. First time EiG was held in this city, and I have to say that I was happy to have a business justification to visit the place. Well done, Clarion.

Casinos. Operators now fully understand that this vertical is making more money than others, and it was clear to see that in both public and private discussions. Everybody is looking to enhance this specific product offering. It's funny, because our industry had its poker time, and its social time, and even for a day or two its bingo/binary etc time, but casinos have always performed best, yet were treated as the twisted sister nobody would like to admit they have.

Database Marketing. The importance of correctly analysing your player behaviour was never so predominant. And it's easy to explain why: when marketing costs rise, players' CPA is way above ridiculous and yet ARPU is declining due to regulation, so operators must look for ways to increase the profit they can generate from existing customers. Welcome to the era of CRM.

Expense Claims. I can just imagine all the accountants across the industry this week, rubbing their foreheads when they receive yet another request to justify "10 Weihenstephaners and a few shots of Echte Kroatzbeere" – as business costs of course!

Financial Trading. It's booming. Now they even have standalone 'slot machine clones' that allow you to place a binary options terminal at your betting shop or land-based casino. And the lifetime value of these 'traders' is amazing! Not to mention forex brands that target markets you would never have even believed existed. If you were not part of the revolution...in this case, you simply could have been making a lot more money.

German Models. German models – say no more. Say no more.

Hasta la Victoria Siempre. That has nothing to do with i-gaming, but I mentioned a revolution earlier, and that made me think of Che Guevara. Actually, I was just trying NOT to think of those German models again.

Internet Consumption. Over 50% of data usage worldwide is being 'consumed' via mobile devices. Here's a funny question: how good is your

gambling app? Oh, you still don't have a native app? Are you at least HTML5 ready? Still working on it – no problem, take your time. I'm sure the 90's will soon end for you guys. Back to our era, and mobile was a huge thing at EiG, and this is how it should be, considering the fact that in some countries there are more activated phone sims than people.

Jackpots. My all-time favourite type of gambling activity! The excitement, the large prizes, the sound of dropping coins into that metal tray. But most of all, the fact that operators can make SO much more money out of these games. These games are exploding, and the main reason is the win-win factor. When a player hits that highest possible combination, he is happy (or in the typical slots demographic case, she is happy). The casino marketing team is even happier, since they have great content that they can now use for ages (which cost them nothing, since the money won was paid out of the jackpot contribution, which is not part of their ongoing profit). KA-CHING!

Shahar Attias has 14+ years' experience in operational leadership roles (888, Playtech, PokerStars), is a frequent speaker at major conferences and is the blogger behind www.iGamingCRM.com. Contact him directly at shahar@hybridinteraction.com

Want to be a guest columnist in GI Friday? Write to: editor@gamblinginsider.com

OUT NOW: Look out for the September/October issue of *Gambling Insider's* print magazine, featuring an in-depth Betting Special as we assess bookmakers' plans for a profitable football season and the potential for widespread legal sports wagering in the US



PROJECT MANAGER

Location: Vancouver, Canada
Contract: Full-Time **Salary:** CAD\$70k



The successful candidate will hold a project management qualification – Prince 2, ITIL or equivalent; or be educated to degree level within an IT related subject; have practical hands-on project management experience, experience of monitoring and reporting on multiple projects, excellent computing skills including the use of project management software and bespoke systems, excellent oral and written communication skills, strong attention to detail, a pleasant and effective telephone manner, excellent time management skills and be discrete in the handling of confidential information.

For more information or to apply contact elizabeth@nmi.uk.com (+44 1248 660 550)
Using reference GIF14_43

JAVA DEVELOPER

Location: Bangor, North Wales
Contract: Full-Time **Salary:** £30k



We are looking for passionate and talented developers to join our growing team. As a developer you will work on software tools written in Java, Groovy and Grails for technical end-users within the organisation. The ideal candidate will have a relevant Computer Science/IT/Computing degree, Java experience and OO design skills (2+ years), SQL experience (e.g. MySQL/ PostgreSQL), version control (Git), unit testing, and software development lifecycle (Agile development). Additional skills which would be of benefit to the role include Hibernate, Gradle, Grails, and Atlassian products (Jira, Confluence, Stash).

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