



WEEK 18

FRIDAY 1 MAY 2015

THIS WEEK

- Wynn Resorts loses \$44m
- California poker bill advances
- Columnist: Roberto Coppola on millennials
- Tweets of the week



TOP STORY

JAPAN CASINO BILL TABLED

National Diet finally receives resubmitted legislation



The Japanese National Diet

Japanese lawmakers have resubmitted a bill to legalise casinos in the country. Reuters reported parliamentary records as showing that members of the ruling Liberal Democratic Party (LDP), the Japan Innovation Party and the Party for Future Generations had submitted the legislation, which represents the first of two bills required to legalise casinos in Japan. However, it has not been announced when the bill would be voted on or even when it would be discussed.

Lawmakers had previously planned to table the bill in March, but this intention was reportedly altered after the legislation failed to receive support from Komeito, a junior coalition partner in Prime Minister Shinzo Abe's LDP.

A bill to legalise casino gambling, known as the Integrated Resorts (IR) bill, was first introduced to the Japanese National Diet in 2013, but lawmakers missed a 30 November deadline to hold a vote on the bill last year. It was reported by Reuters in November that the legislation was set to be postponed indefinitely, and that bills of a higher priority to

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the Diet, including those related to national defence, were more likely to be addressed in the following parliamentary session. However the bill was able to be resubmitted after the LDP won the Japanese election by a landslide in December to remain in office.

Komeito, whose opposition to the bill had prevented it from being introduced, has since given permission for the three parties to table the legislation. Some members of Abe's own party are opposed to the legislation, as they fear problem gambling could be encouraged by the legalisation of casinos.

MGM Resorts International and Las Vegas Sands Corporation are among the casino operators hoping to open a casino in Japan should the prospective bill be passed.

The passing of a casino law in Japan would be a two-statute process, as following the initial IR bill, a second piece of legislation detailing the number of casino licences and locations as well as tax rates would have to be passed.

KEY POINTS

- Lawmakers have resubmitted a bill to legalise casinos in Japan
- Komeito, the ruling Liberal Democratic Party's junior coalition partner, gave its approval for the bill to be tabled
- No date has been given as to when the bill will be discussed or voted on

FINANCIAL

WYNN RESORTS LOSES \$44M IN Q1

Net revenue also drops due to Macau revenue decrease

Casino operator Wynn Resorts has reported a net loss of \$44m for the first



quarter of 2015, in comparison with net income of \$226.9m for the same period last year.

Net revenue fell 28% year-on-year from \$1.51bn to \$1.09bn, which Wynn has put down to a 38% net revenue decrease for its Macau operations, with that total of \$705.4m being down from \$1.13bn.

Wynn CEO and company founder Steve Wynn said on a conference call with investors: "Uncertainty is the plaguing word of the day in Macau. I fear it may erupt into protests against the government if it isn't settled soon."

The Macau casino market suffered its first recorded drop in annual revenue last year and the monthly revenue total has declined year-on-year for the last nine consecutive months.

Wynn's adjusted property EBITDA was \$323m, declining 35% from \$494.6m, while adjustable net income was \$70.5m, down 70% from \$236.7m.

An increase has however been reported for net revenue from Wynn's Las Vegas operations, which went up 2% to \$386.9m from \$380.9m.

KEY POINTS

- Wynn Resorts make a net loss of \$44m in Q1 2015
- Net revenue dropped 28% due to a 38% net revenue fall for its Macau operations

US

CALIFORNIA ONLINE POKER BILL ADVANCES

AB 431 can pass to the next legislative step

A California online poker bill has passed through a committee in the state. The Assembly Governmental Organization (GO) Committee voted unanimously for AB 431 to progress to the next legislative step.

The bill, which was introduced by GO Committee Chairman Adam Gray [pictured] in February, is the first of its kind to have received a committee hearing in California, and can now be moved out of the GO committee.

Three more hearings on the issue of online poker in the state are scheduled to take place later this year.

KEY POINT

- A California online poker bill has advanced through a committee

Tweets of the week 

"Sands CEO Sheldon Adelson in court today. Witness in contentious wrongful termination suit against his company. Wife, guards with him"

Associated Press in Vegas reporter Kimberly Pierceall [@pierceall]

"A full statement regarding withdrawals can now be found on Facebook. You will need a Skrill account to withdraw funds" Operator 666Bet [@666bet]

"Really need nickname for the Amaya / Morongo / San Manuel / Commerce / Bike / Hawaiian Gardens coalition. Somehow doesn't roll off tongue" Online Poker Report editor Chris Grove [@OPReport]

GUEST COLUMNIST

"OPTIMISING FOR MILLENNIALS"



by **Roberto Coppola**

Director of global market research, YWS

"At a time when places like the Las Vegas Strip are seeing gambling – as a revenue stream – taking a back seat to non-gaming activities such as dining, entertainment and retail, it is critically important to recognise the influence of millennial 'culture' on this behaviour shift. It is essential to understand why millennials in particular rebuff traditional casino games and layouts and how the industry can respond in ways that meet their needs and expectations.

Millennials are the 'social generation'. They are the early adopters of the social media revolution, which has forever disrupted communication and commerce as we know it. This generation is always connected, especially via their mobile devices, to their social circles. Gen Y values creativity, engagement and authenticity. This is a generation highly sceptical of corporations and traditional marketing tactics.

Millennials prefer to do business with companies that, like them, express a societal conscience, and support companies they feel are aligned with their desire to make the world a better and more connected place. Whereas previous generations have been more interested in front-of-the-box product details, millennials want to know its back-of-the-box contents and backstory.

They are willing to pay a premium to do business with companies they feel operate transparently and are in line with their values.

The size and immediacy of the impact consumers under age 35 will have on businesses of all types is enormous. Millennials are driving fundamental, permanent changes in branding, media and entertainment. Already encompassing more Americans than any other generation, Gen Y today represents more than \$1.3 trillion in annual consumer spending, a number set to skyrocket over the next decade.

Tremendous revenue opportunities exist for the gaming industry to modernise offerings in ways that resonate with them. Understanding what makes millennials tick, with the important caveat of realising the inherent limitations of broad generalisations (particularly when applied to the most diverse generation ever) is the first step in configuring a new gaming experience, designed to appeal to younger consumers without alienating existing casino guests.

Understanding what makes Gen Y different – particularly regarding perceptions of self and value – will undoubtedly inspire offerings that leverage innovations in technology, communication and connectivity. For the gaming industry to become a viable option within the entertainment consideration set of millennials, fundamental changes to both content and physical environments must be prioritised.

The main offering of today's casinos, in the minds of millennials, is its physical space, which they view as not being very alluring. Gen Y wants open environments that buzz with a patchwork of passionate

conversations, which may feel 'too loud' for an older consumer.

Casinos of all types should study younger prospective consumers and contemplate how they can potentially get them to spend money on property via a layout that addresses what they are looking for in a gaming experience. Established properties may want to approach this shift in phases, whereby particular sections are redesigned to be more millennial-friendly. Because the marketplace shift toward Gen Y consumers becoming the dominant consumer group has already begun, it is very important for casino operators to make plans now to engage them.

Casino operators must also involve qualified market researchers at the front of any development or redesign effort. Because the characteristics, desires and expectations of younger consumers are so radically different than older generations, it would be incredibly risky to guess what they might want. As this happens, the gaming industry will finally begin to develop an authentic and lasting relationship with Gen Y, its most elusive – and most important – customer of tomorrow, today."

With over 15 years' of market research experience, Roberto brings a diverse skill set to the YWS team. By combining market-driven design and owner vision, YWS delivers world class leisure properties and turnkey design solutions. Founded in 2001, YWS is headquartered in Las Vegas and has a presence in Tulsa, our Native American services hub, Singapore and Macau.

Excerpt is from YWS's white paper, 'Is Your Casino Optimized for Millennials?' For a copy, email info@ywsinternational.com

OUT NOW: Look out for the March/April issue of Gambling Insider's print magazine, featuring a Retention Special as we gather expert advice on how to ensure customer loyalty and engagement across online, land-based and mobile gaming channels in an increasingly competitive environment



HEAD OF QUANTITATIVE ANALYSIS

Location: Bucharest
Contract: Full-Time



EveryMatrix, an independent company offering high quality solutions to the iGaming industry, is looking to add a skilled, positive, and energetic Head of Quantitative Analysis to join the ever-growing sports betting operation team. The candidate will have excellent analytic skills and the business vision to provide the data models and insights that will drive our strategy. They will work closely with the Product Owner and Head of Trading. The Quants team is new and will be growing.

Apply to career@everymatrix.com
Using reference GIF15_15

MARKETING MANAGER FOR GAMING OPERATIONS

Location: London **Contract:** Full-Time



EveryMatrix, an independent company offering high quality solutions to the iGaming industry, is looking to add a Marketing Manager to their growing team in London. The Marketing Manager will plan monthly CRM activities via email and SMS, balancing the right mix of Casino and Sports campaigns. Incorporating upcoming Sports events and both existing and new-to-market Casino game releases. The ideal candidate will also oversee Social Media campaigns and collaborate with an Affiliate Manager to create specific promotions.

Apply to career@everymatrix.com
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