

Farewell to Cash



So much for “What’s in your Wallet?”—the commercial pitch coaxing consumers to buy a credit card. The modern phrase might be “What *is* your wallet?”

And there may be no card.

Soaring mobile-phone usage, coupled with demand for gaming funds access, drives a rising cashless sector. Phones using digital wallets link consumers and casinos on unprecedented levels. Patrons buying products using the device that stores loyalty card information and digital coupons form a growing industry niche.

The dynamic mirrors other industries. Think of the Starbucks app or the mobile-phone tap enabling passengers to bypass the boarding-pass printout. Or Google’s Wallet service enabling users to “store” cash on their phones and spend it in-store, online or at businesses accepting Google payments.

Gaming has, for good reason, arrived late to this party. Strict industry oversight and different jurisdictional regulations make the process more deliberate. Problem gambling in this multibillion-dollar environment is a legitimate concern. One can see a future slogan of “bet with your app, not over it.”

Yet, major vendors see a profitable big picture. Gaming revenues are projected to surpass \$500 billion, roughly \$75 billion from online play, within the next five years. Cashless will be among the boats lifted by the rising tide.

The Next Trend

This realm may soon fill the space predicted by industry officials. As far back as 2010, the former Bally Technologies issued cashless devices like cards in places like South Africa, according to Ted Keenan, vice president of product management for Scientific Games, which eventually acquired Bally Technologies.

Cashless may have been ahead of its time then. But fast forward a decade, and companies need to be ahead of that curve now.

Keenan sees a surge in the cashless sector amid an array of outlets. The

Scientific Games portfolio includes instant and draw-based lottery games, electronic gaming machines, server-based lottery and gaming systems, sports betting technology and social, mobile and interactive content.

“The growth in the cashless space could be similar to that with the TITO revolution from, say, 2000,” he says. “In the consumer world, we see numbers indicating that 12 percent of customers name cash as their preferred payments, but here in the casino world, the large majority of customers still use cash. Something is out of line. We really think there is going to be a fast change to these cashless solutions.

“The way we look at this, we have to be ready for that shift to happen. There’s been a long, slow run up to this point, but it appears we are about to have the mass market say, ‘Hmm, this is a good idea.’ That’s exciting to us.”

If industry estimates of 25-35 percent of casino patrons adopting cashless and cardless systems by next year occur, that opens a sizable potential revenue stream for operators.

Las Vegas-based Scientific Games addresses the market with Unified Wallet, slated for early deployment to a couple of properties in the first quarter of this year. The product will be tested, evaluated, tweaked and perhaps eventually rolled out to the mass market by the end of 2019. It is a software



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—Ted Keenan, Vice President of Product Management, Scientific Games

solution available for properties, which can help them customize offers and drive brand loyalty. Ultimately, it can be used for a spectrum of activity including social gaming, electronic games, sports betting, lottery, table games and retail purchases.

The Unified Wallet enables players to show the phone at a game site, deduct money from the wallet and join the action.

“Unified Wallet offers a consolidated view of your casino funds along with access to your external sources,” Keenan indicates. “From your mobile phone, you are able to fund your gaming wallet, put money onto slot machines, (buy chips at a) table game, buy a buffet ticket or do whatever you want.”

Keenan makes an observation regarding stored funds. Consider this product’s contrast to the classic wallet in one’s back pocket. If a player leaves the property with cash, the funds are blended with other money and will likely be used outside the brick-and-mortar property.

But a wallet on the phone may loom like a marker, something to tap when needed. It may stay confined to gaming.

“We have seen that when a player leaves the property with some money in the wallet, that player will continue to use the (same) cash over and over,” Keenan says. “If you have money left in the wallet, you are much more likely



to play again with that property, even if it’s only \$10. You will even re-fund the wallet.

“Ultimately, where we are moving to is some consolidated account for the convenience of the players. They don’t want to carry a physical card, they don’t want to visit an ATM before going to the casinos, they don’t want lines.

“None of this is earth-shattering technology; various other industries use it,” he adds, “but the question is, how do we package it all up in ways that are convenient for the player and the operator to use?”

Walking a New Road

Everi Holdings, based just outside the Las Vegas Strip, is known for innovative funds access products helping players manage funds for casino floor use. In 2019, it embarks on a cashless quest to entice operators.

The company’s blueprint includes test programs for its CashClub Wallet at two large casino properties, according to Darren Simmons, FinTech business leader at Everi.

“The wealth of development in our digital wallet has enabled us to address the diverse needs of operators and demonstrate to them how we can help their patrons seamlessly move financial value across the gaming ecosystem,” Simmons says. “We believe we’ll continue to see more operators adopt the technol-

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ogy, but it will require longer implementation cycles since it impacts the entire organization.”

Some players will always prefer using cash, but a growing number want their financial snapshot on a tablet, or phone. CashClub Wallet meets an important industry need, Simmons asserts. It is a sophisticated, interactive wallet that consolidates payment options for players when integrated with Everi’s Cash-Club software and full-service Xchange kiosks.

“Cash in the casino isn’t going away anytime soon, but we have seen over the past 19 months an imperative for a digital transformation across the casino,” Simmons says. “The digital wallet is a key piece of this transformation, which is being driven by demand for self-service options from patrons, the convenience of accessing and managing funds via a smart phone, and consumer adoption that is already occurring in the retail space with the likes of Apple Wallet.

“In gaming, we see the pivot to cashless as having both revolutionary and evolutionary components. The digital wallet is still a nascent technology with only a few implementations, but we believe serious penetration will occur within two to five years. Regulatory approval and operators’ ability to invest in new technology in order to introduce a digital wallet are two of the big obstacles.”

The digital wallet is supported by more than 30 money-transmitter state licenses, a key asset for Everi, according to Simmons.

“It gives us the ability to hold funds on account for payments and doesn’t require the patron to have to sign up for a prepaid card,” he indicates. “This is an FDIC-insured account we hold through our money-transmitter licenses. Our FinTech business is also connected to more than 840 casinos across the U.S. and Canada, which has been vetted and verified by both gaming and financial regulators.”

According to Simmons, the digital wallet empowers patrons, giving them them a choice about personal funds not only on the gaming floor, but in non-gaming outlets on property. The challenge for suppliers will be keeping the patron in mind when tailoring a digital payment system for an operator.

“Patrons want to feel secure in what they’re doing, that the operator has taken into account their privacy, and that they have built in a loyalty component so they feel there is value in moving towards the digital transaction,” Simmons adds. “The digital wallet we offer also layers in the critical business functions of Know Your Customer (KYC), Anti-Money Laundering (AML) compliance, and money-transmitter licenses. This gives the operator tremendous flexibility and scalability across their enterprise.”

As for its use, Simmons says some jurisdictions have embraced funding a digital wallet enabling patrons to access funds at a table game, sports book, or even a non-gaming outlet. Integration with the property’s casino management systems make this happen, effectively pushing funds down into the wagering accounts that patrons have access to.

“While this is exciting, Everi is taking a deliberate approach with its digital wallet—a crawl, walk, run strategy,” he indicates. “We want to ensure we’re delivering a solution that creates a premium experience not only for the patron, but for the casino employee as well.”

Cashless, Cardless

International Game Technology, the London-based global gaming-machine, lottery and research and development powerhouse, has long held a connection to cashless, and offers an array of products for it.

IGT’s Cardless Connect technology enables patrons to use their smart phones for varied purposes like initiating a patron loyalty session at a slot machine or transferring funds to and from a slot machine. With the addition of Resort Wallet to Cardless Connect technology, users can seamlessly initiate funds transfers between multiple casino properties owned by a single operator,



officials say.

With Cardless Connect, a player sits down and points a phone at the gaming machine. The player display shows the player’s name and point balance. When the player leaves, the app automatically cards him or her out.

The Cardless Connect software enables players to card in to an electronic gaming machine without a physical card, removing a common

barrier to play and retaining younger and tech-savvy players.

Paper tickets also become obsolete with this product. Where approved, players can transfer credits with just a few taps on their phone because of IGT’s proven EZ Pay software. Cardless Connect integrates into a property’s app, driving use and keeping a casino’s brand front and center.

Touted benefits include increasing the use of a property’s mobile app and carded play club membership while reducing printing costs. It runs on Apple and Android devices.

IGT Casinolink Wallet offers an account-based wagering solution. It enables players to transfer funds using their players club card, which can be accessed at any connected slot machine across a property or enterprise.

With multi-site, multi-language and multi-currency support, Casinolink Wallet is a scalable business solution that can be configured to meet a property’s unique needs, officials say. Resort Wallet provides an essential benefit within linked properties

Currently, players can only use funds, whether in a paper ticket form or a cashless balance, at the casino where they originally played. This creates friction when guests want to use funds at another casino within the same enterprise. According to IGT, Resort Wallet removes this friction by allowing guests to use funds from other casinos within the enterprise when their host balance runs out.

The wallet also communicates with third-party gaming apps to share wallets. Players can keep slot, sport and online balances in the same wallet. This keeps finances organized.

Touted benefits include the increased velocity of money, optional mobile integration and reporting.

Across the gaming spectrum, properties await approvals to allow more types of funding, hoping precision comes after permission. There will always be a place for several payment routes.

Some patrons prefer privacy, wielding cash to fund play when they wish to engage. This option is quick, private and safe, encouraging a gambler to wager within one’s means. It also provides a timely speed bump to slow impulsive ATM withdrawals.

Others want tech-savvy access. And yesterday won’t be soon enough. They can view, access and spend money in real time, mirroring the pace of life outside this industry. Gamblers in this group prefer quick decisions, instant funds deployment and convenience at lightning speed.

Somewhere in between is the loyalty card, acting like a credit card. Patrons use the card in their physical wallet, but can utilize it for both gaming and non-gaming spend.

As innovations continue, operators will continue offering cash and cashless options for customers.

There is enough room in the gaming world for both of them.