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**The Gaming Industry's Unique
Reputational Challenges**

28 April, 2009

- **1984: reported internationally on the largest lottery payout to that date**
- **Senior counsel to lottery and gaming corporations since 1990**
- **No current gaming clients**



- **The industry's reputation challenges**
- **Solutions: earning the right to operate**
- **Communicating real change**
- **Benefits**

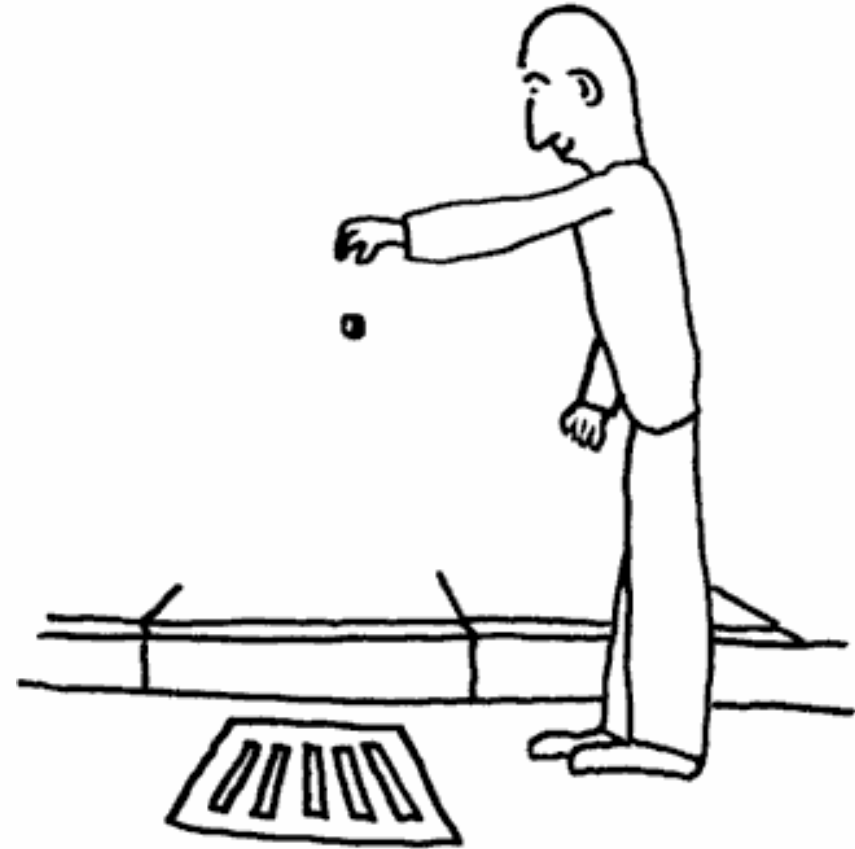
- Tobacco
- Coal-fired energy
- Asbestos
- PCBs
- Pesticides
- Credit cards
- Mobile phones
- Alcohol
- Tasers
- Oil sands
- Ticketmaster

Who is next?

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The Challenges

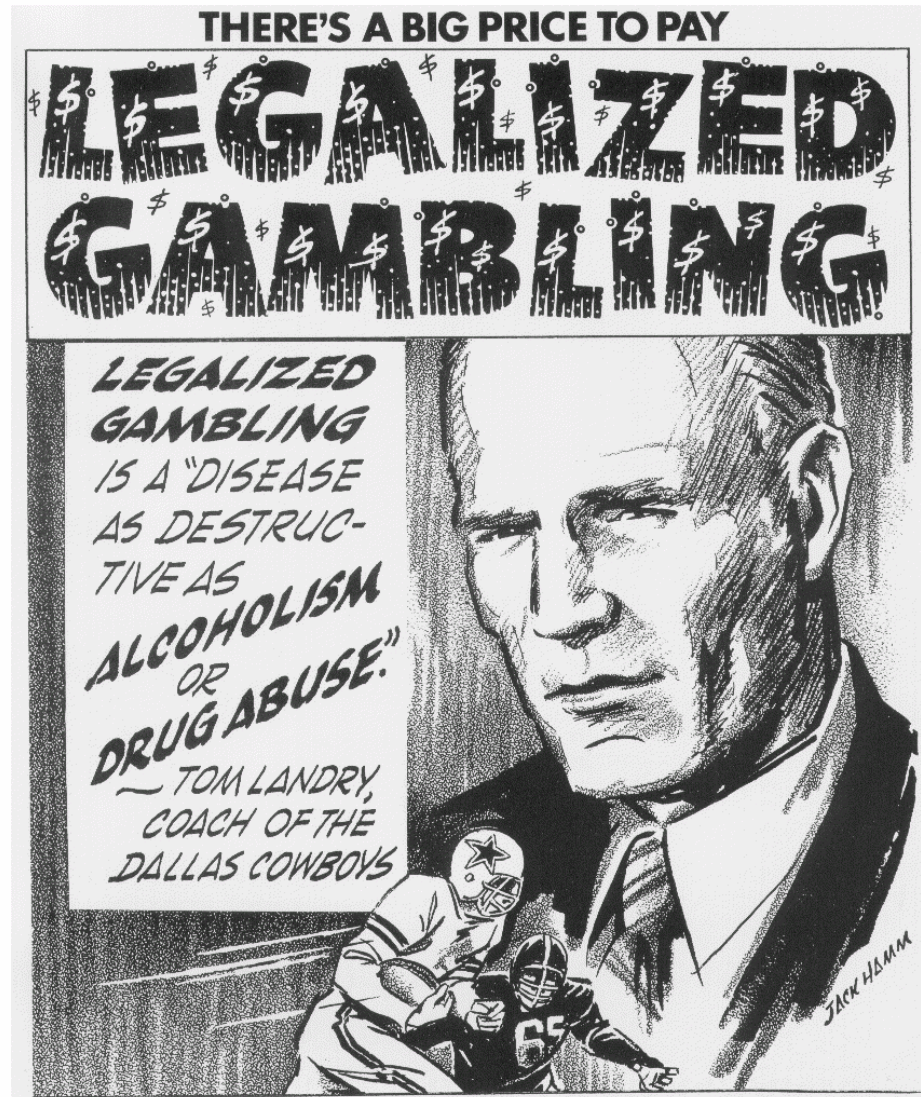
- **99.9% of the time, the customer fails to get what he wants**
- **The “games” are complex, played hurriedly**



“A destructive disease”

NATIONAL

- Potentially addictive
- Had led to financial ruination, family destruction and suicide
- “Players” demand exclusion





FOXWOODS
RESORT + CASINO

“Markoff A Regular At Foxwoods”



- Little or no connection perceived between gaming “profits” and good deeds
- High proportion of visitors will never recognize community benefits
- Buyers buy to win, not to “contribute”



- Don't fully understand the games
- Think the odds are unfair
- Suspect the fix is in
- Undermines “charity” gaming
- “Poor, uneducated victims” make for excellent symbolism

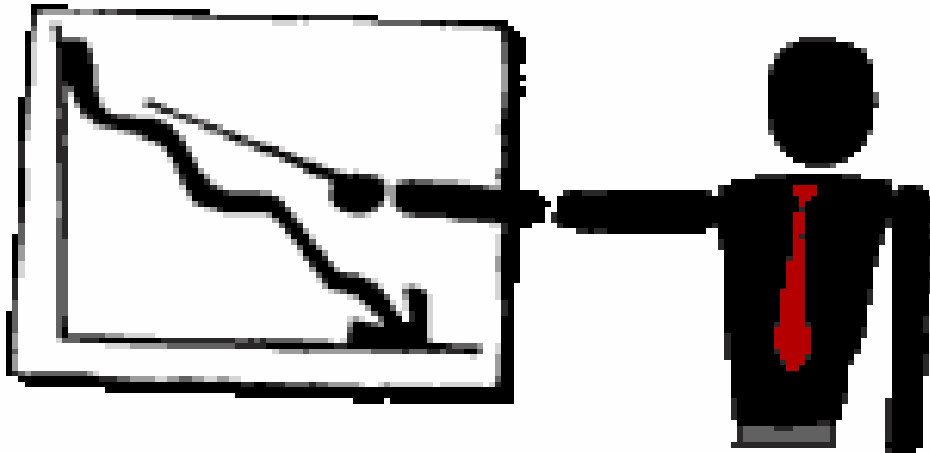
- Insider wins
- No acknowledgment for technology breakdowns
- “Gaming companies encourage compulsive gambling”
- Always take the side of the little guy
- Basic editorial position: gaming is evil, immoral, usurious, a “tax on the stupid,” and it’s fixed



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Solutions?

Earning The Right to Operate



- **The search for ever higher revenues must be moderated**
 - **Slow the pace**
 - **Reduce access**

- **Much greater investment in problem gambling:**
 - **On the floor interventions**
 - **Visible, tangible, progressive**





- **Choose on exclusions:**
 - **Enforce**
 - **Abandon**

- **Higher integration with community tourism**
 - **Motivate players to leave the floor**





- Eliminate or redesign “frequent flyer” schemes

- **Cross jurisdictional cooperation**



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Communicating Real Change

- True **CSR approach** to your business:
 - Real changes, real results
 - Code of ethical conduct
 - Annual report
- **Governance model**: greater openness and transparency
- Industry/government **Responsible Gaming Czar**



- 50/50 split in advertising:
gaming vs.
problem gambling



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Benefits of New Behaviour

- **A social license to operate**
- **On the front foot, reputationally**
- **A healthier and more reliable customer base**
- **Smaller but more sustainable business**
- **Differentiated brands**
- **Reduced pressure on governments to regulate**

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