

Slot or Table? A Chinese Perspective

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Introduction

Macau, with a gross casino gaming revenue of US\$5.02 billion in 2004 (Gaming Inspection and Coordination Bureau, 2005), is certainly one of the biggest gaming markets in the world today. Over the same period, casinos in the Las Vegas Strip brought in US\$5.33 billion (American Gaming Association, 2005). There are now 17 casinos in Macau and more are expected to be operational by 2009. Macau's success story has been the admiration of many Chinese and a celebration of the Chinese government's 'one country, two systems' policy.

Three major companies currently hold licenses to operate casinos in Macau, namely, Sociedade de Jogos de Macau, S.A. (SJM), Galaxy Casino, S.A. and Wynn Resorts (Macau), S.A. (Gaming Inspection and Coordination Bureau, 2005). While the first two main licensees are already operating casinos in Macau, Wynn's first casino on this tiny 27.3 square kilometer of Chinese land is due to open by 2006. A number of sub-concession contracts were also approved by the Macau government such as for Venetian Macau (under Galaxy), and MGM Mirage/Pansy Ho (under SJM). The Sands Macau, which is managed by Venetian Macau, was the first Las Vegas-style casino to open in Macau on May 2004.

According to the Gaming Inspection and Coordination Bureau (2005), in 2003/2004, there are 2,254 slots versus 1,092 table games in Macau. These figures give a ratio of 2.1 slots to tables and slot revenue of only 1.6% of Macau's 2004 total gaming revenue. This ratio pales compared to the 21.4 slots to tables ratio of the Las Vegas Strip or the 31.1 ratio of Nevada State (Nevada Gaming Commission and State Gaming Control Board, 2005). Comparatively, Australia's casino market in 2003/2004 has a slot/table ratio of 10.7 (Australian Casino Association, 2005). In Malaysia, it is a 1:7.4 (slots to tables) split (CasinoCity, 2005). Many observers have reported a clear interest among Chinese in table games. On the contrary, slots are less successful in Macau. Why is this so? This paper examines some of the explanations behind why Chinese like to play table games and not slots.

Why Table Games?

Many Chinese (especially mainland Chinese) gamble for financial reasons and, hence, to win (c.f. Access Asia Limited, 2002). Ozorio and Fong (2004), who conducted a recent study on Chinese casino gambling behavior, found that Chinese gamblers' high risk-taking appetite was fueled by their desire to win and to fulfill their sense of excitement.

Such strong motivation to gamble for money may be the result of China's relatively recent transition from economic poverty to prosperity. Wealth and fame have been treated by the Chinese as collective representations of an individual's achievement, deserving of ancestral glorification (Yu, 1996). When a Chinese becomes rich, he or she will be treated with respect and admiration from other family members. With China's stunning economic growth rate (>9% per annum) over the past few decades (Anonymous (2004), the road to prosperity has fueled the desire for many Chinese to

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pursue quick individual wealth and, at the same time, created an unequal distribution of wealth within the country (Tse, 1996). As prosperity spreads within cities, everyone wants to get rich fast and enjoy the material gains that they were deprived of for so many years; no one wants to lose out. Gambling, hence, becomes a shortcut to financial achievement.

According to economic perspectives of gambling, in which individuals are hypothesized to be motivated to gamble purely because of the chance to acquire money despite risks (e.g. Walker 1992), Chinese's strong desire to win means that many would go for games that offers the highest perceived value and/or perceived probability of winning. Gambling reflects '*human desires to get something for nothing and to get rich quick*' (Aasved, 2003, p. 36). Because the potential value appears to be higher for table games than for slots, many Chinese gamblers choose to play table games. To Chinese, table games offer higher stakes which translate to larger winnings if one makes it. Besides the size of winnings, Chinese also perceived that one wins more quickly at table games than on slots. Impatient Chinese gamblers want to get rich quick and table games, with their high stakes, offer them such an opportunity. So far, casino operators in Macau have yet to offer prize money perceivably high enough (i.e. huge jackpot sizes) to switch some table gamers to slots.

While winning is a major motivational factor, Chinese generally find table games more exciting and entertaining to play than slots. In addition to the fun and excitement of beating the house, the company of others (i.e. other gamblers on the table and the crowd surrounding the table) enhances the entertainment and excitement values of gambling. A study by Hong Kong Home Affairs Bureau (2002) in 2001 found that almost 87% of Hong Kong residents who made bets in Macau's casinos regarded casino gambling as exciting and 19% of them saw it as a form of social activity. In another survey on the general gambling attitudes and behavior of Macau's residents, Kwan (2004) found the top reason for gambling among respondents was for entertainment. While 92% of these respondents generally did not gamble in casinos (in fact, the most popular games cited were mahjong, lottery and soccer betting), the survey did prove that many Chinese gamble for entertainment value. Historically, gambling is performed as a form of social activity among the collectivistic Chinese. To Chinese, gambling requires interaction and casinos' table games are comparatively more similar to popular mahjong games played by many Chinese at home than to slots. One should, however, note the difference in demographics between Hong Kong/Macau Chinese and mainland Chinese; The former are, on average, financially better off than the latter. Thus, Hong Kong/Macau Chinese will likely to perceive casino gambling more as a form of entertainment and excitement and less as a money-making opportunity compared to their counterparts in mainland China.

In fact, a quick survey at the entrance of major Chinese casinos reveals that many mainland Chinese gamblers are unsophisticated. These gamblers do not appear to understand the odds of winning for slots as well as other more complicated automated games. This observation may disguise the fact that many are simply disinterested in slots and automated games, and would rather go for their usual '*uncomplicated*' table games like baccarat that offer greater potential winnings. The need to learn new knowledge or '*skills*' of something that does not seem to offer high perceived value may be a put off for these gamblers.

Some researchers have postulated that Chinese gamblers have strong illusion of control (e.g. Wong et al., 2005). Chinese believe that they can exercise more control over gambling outcomes on table games than slots or automated games. Such beliefs may be the result of decades of influence from popular Chinese gambling movies. Successful Chinese gambling television series and movies since the early 1980s such as *The Shell Game* (all-time classic Chinese television series), *God of Gamblers*, *Casino Raiders*, *Conman*, and *All for the Winner*, have over the years portrayed that gambling

requires skills and wit, and gambling outcomes can be determined by individuals. Actors in these television series and movies gambled table games against one another. The winners (usually the good guys) shot to fame, won lots of money and the love of their women. The loser (often the villains) would lose their lives, fame, money or go to jail. In some movies, the lead actors used supernatural power to beat the system and win the day. In all, the chosen mode of gambling was table games (i.e. blackjack and Sic Bo) and, certainly, not slots. Everyone wants to look cool like the actors, learn the skills (be it earthy or supernatural) and beat the house. These successful gambling-theme Chinese movies are watched by Chinese around the world. Nonetheless, these movies may merely reflect the general gambling attitudes of the Chinese such as their illusion of control and their fantasy of making it rich through gambling.

Implications to Casino Operators

The characteristics of Chinese gamblers have so far influenced their preference for table games over slots. It seems unlikely that, in near term, slots will replace tables as the preferred game of the Chinese. However, as China progresses economically, one predicts that increasingly wealthy mainland Chinese will start to treat gambling in Macau more as a form of entertainment. This development, coupled with the expected introduction of more slot machines by current and new casino operators, would potentially enhance Chinese slot play. While one cannot change the traits of Chinese gamblers overnight, one can however devise and implement better strategies to promote slot play.

For example, to promote slots, casino operators can increase the connectivity of individual slots, beyond what is currently operational, to offer bigger and more attractive prize money. At the same time, promotion of prize money should be made visible to potential slot gamblers and winnings should be seen as credible. Literally, show them the money! Such tactics may include heavily publicizing the winners of jackpots on television, newspapers, and in the casino. The Chinese's strong motivation to win means that they are likely to go for games that offer high perceived winnings or simply the best value. On a minor note, casino operators in Macau may consider bringing back the traditional pulling lever for slots or create new devices that enhance the illusion of control. Moreover, the odds of slots and automated games need to be explained and educated. Such education may be in the form of display videos, visible posters, and on-floor game trainers.

Based on Chinese gamblers' traits, automated table games are likely to be perceived more positively than slots among Chinese amateurs looking for entertainment and excitement. With a lower stake required, this relatively new form of games (to the Chinese) offers a new market for casino operators in Macau and appears to fit the motivational needs of amateur Chinese gamblers especially Hong Kong Chinese. Casino operators may also want to consider offering some table games with lower minimum bets in order to attract leisure gamblers who are just looking for some fun and excitement. As a suggestion relating to the creative promotion of table games, operators can unleash the table gambling fantasy of Chinese gamblers by showing past box-office Chinese gambling movies in casinos or sponsoring such screenings on television or movie theaters.

This article represents a specific first step to explain Chinese's current preference for table games in Macau and a general attempt to examine Chinese psychology of gambling. While careful attempts were made to ensure accurate explanation of current observations, the author suggests that more primary research be conducted to examine this observed phenomenon. Because of demographics differences (and possibly psychographics), any future research should try to differentiate mainland Chinese gamblers from Hong Kong and Macau gamblers. Moreover, this article did not attempt to differentiate VIP room gamblers from regular gamblers. Psychologically, these two

groups of gamblers would differ greatly and these might affect their prime reasons for choosing tables. One would certainly speculate that most VIP room gamblers have a strong desire to win and gamble for excitement, along with some compulsive attitudes toward gambling. In Macau, VIP Baccarat accounts for almost 72% of the 2004's casino gaming revenue (Gaming Inspection and Coordination Bureau 2005). Any future studies by gaming researchers should consider all these factors.

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