

become so important as a tourism activity that we will take a closer look at casino resorts in Chapter 10.

Place Your Bets

The availability of new and expanded gaming opportunities for tourists to try their hands at “Lady Luck” is likely to continue to grow. Although many present and future gaming locations do not have the marketing advantages of destinations such as Macao, Monte Carlo, or Las Vegas, they do have one factor in common with already well-established and successful operations in places like Hull, Ontario; Atlantic City; and Laughlin, Nevada: a location within easy driving distance of a large population base. This ease of access, combined with the social acceptance and novelty of gaming as recreation, has attracted many first-time players and should continue to generate repeat visits.²⁴

Serving this growing market for locals and tourists who are seeking the excitement and entertainment of gaming is creating attractive investment and employment opportunities. Continued growth has brought both positive benefits, as well as concerns. In one mega-casino destination community, Macao; “[C]ommunity leaders suggest that although casino gaming does make positive social, economic, and environment contributions to the community, greater effort is needed to minimize its negative social and environmental consequences” (p. 737).²⁵

In contrast with other segments of the tourism industry that operate on very thin profit margins, gaming generates margins of up to 35%. Gaming opportunities continue to grow as visitors can choose from a variety of venues including riverboats, Indian reservations, destination resort casinos, and the traditional casino meccas of Las Vegas and Atlantic City. International destinations such as Singapore, Isla De Margarita off the Venezuelan coast, and Bermuda tempt tourists to gaming tables from around the world. Table 9.5 shows the diversity and size of gaming venues in the largest gaming markets in the world.

Most of this growth can be attributed to the attractiveness of slot machines, which generate over 70% of casino revenues in the United States. The average quarter slot player feeds \$2,500 into machines within a three- to four-hour playing session. Nevada state law requires that casinos yield a minimum 75% payout and New Jersey requires 83%, but most of the casinos entice players with much higher payouts. New casinos will frequently offer the highest payouts, often returning 93.4% to players, whereas the payout may drop to 87% at the more established casinos. These figures represent the average of all of the slot machines within each casino. Each machine is programmed to set different yields, so a machine may pay out higher or lower.²⁶ “Today’s computerized slot machines generate thousands of random numbers every second, even when nobody is playing them. . . . Press a button 1/100th of a second sooner or later, and the number is different” (p. 3A).¹⁹

Table 9.5 Major Casino Markets Based on Gross Gambling Revenue

Location	2012 Gross Revenues (\$) (billion)
Macao, China	38.2
Las Vegas, Nevada	6.2
Atlantic City, New Jersey	3.1
Chicago, Illinois/Indiana area	2.2
Detroit, Michigan	1.4

Source: From IBISWorld Industry Report. (March 2016). *Global Casinos & Online Gambling*; and American Gaming Association, 2013 State of the States, The AGA Survey of Casino Entertainment, *Top 20 U.S. casino markets 2012*, Washington, DC.