

Nick Ippolito challenged the conventional wisdom surrounding loyalty programs: "Stop calling it a loyalty program because nobody's truly loyal anymore. Players go where the best FreePlay is." This statement challenges casinos to rethink how they define and structure their player engagement strategies. Instead of relying solely on predetermined rewards, casinos should focus on creating meaningful experiences that resonate with players on a personal level.

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CRAIG SHACKLETT
CEO URCOMPED



Nick Ippolito, Casino Player Development Leader, recently made waves in the industry with a bold statement: "I wish we would just get rid of free play entirely." This comment caught the attention of Craig Shacklett, CEO of URComped.

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The Free Play Debate

"I've learned more in these past 16 years traveling to casinos all over the world than I did my 20 plus years in Las Vegas." Nick Ippolito's perspective on free play and comp systems is rooted in his extensive experience in the industry over the past 16 years working and consulting at casinos located all over the United States. "It's time we eliminate free play completely," he said frustrated. "If only one casino were to do it, competitors would quickly swoop in to attract those customers by just increasing or "buying" the business. The entire industry HAS to come together to make a change."

His irritation stems from the complications that arise from comp buckets and loyalty points when a Host makes the decision to not comp the player and yet the player has \$300 comp dollars in their bucket. "In my day, player development ran the show," he reminisced. "We were able to negotiate, and the players came to us to see what they could have comped. They were not very entitled or demanding at all"

"Now, it's complicated with comp buckets accumulating thousands of unused points. And Rewards Center reps and Table game staff telling the players what they have in their buckets. Players holding onto points because we decided to allow them to exchange the points to Free-play. This had a negative impact on the casino host negotiation strong arm.

Nick Ippolito 's vision for the industry includes a bold proposal: "Imagine if we wiped out the comp buckets and points DAILY! We could keep players at the proper reinvestment and eager to earn new rewards daily. What have you done for me TODAY, should be the mantra."

He acknowledged that some casinos do experiment with rolling back free play offers, wiping about comps and expiring points every 6 months.

With all of this in mind, Craig Shacklett posed the question: "Could you be the one to rally the industry together?" Nick Ippolito chuckled, "Who better than me to lead the charge? Imagine 'Nick Ippolito Goes to Washington'—advocating for the future of player engagement."

Nick Ippolito highlights a potential pathway to revitalizing player engagement and redefining loyalty programs. Whether or not the industry embraces his vision remains to be seen, but one thing is certain: discussions like these are crucial for shaping the future of gaming.

Nick emphasized the importance of implementing free play strategically when used. It is an incentive to book an incremental trip rather than as a mere consolation for losses. "When someone walks into the casino, that's when you should give them free play—on the day and the moment they arrive, not because they lost money," he stated passionately.

"This approach is using Free play to book the next trip. And hopefully the next incremental trip!" As **Cara Cohan, Owner of Maverick Marketing**, is forever explaining and preaching, "A TRUE incremental trip"!

One of Nick's key strategies involves tailoring free play offers to individual players based on the qualifications of driving a trip. "If a player usually visits the competition every Thursday, then that's the day the host should offer them the FP request."

He also suggested using free play for everyday expenses. "Why not give players a little something for gas and/or Uber rides? Asking the question, what is keeping you from visiting right now? That challenge might be able to be overcome with the gift of Freeplay.

Rich Lehman, Co-Owner of Red Rose Orchards, explains how we explored the evolving dynamics of player engagement in the gaming industry, particularly in relation to bonus gaming and free play. Rich's insights shed light on the implications of these developments for player behavior and casino operations.

Rich emphasized the significant changes brought about by bonus features and free spins in gaming devices. "Absolutely, bonus featured gaming with limitless free spins should have eliminated the need for issued free play!" he stated. This assertion highlights a critical shift in how players interact with gaming machines. With the increasing popularity of bonus rounds, the time players spend actively wagering is being affected. Rich stressed the importance of properly valuing free play considering these changes. "To place a proper value on free play—or understand its cost—one must evaluate historical effects and the introduction of EFT, AFT, and penny games." This analysis is essential for casinos to understand how free play and bonus gaming interact and influence player behavior.

He advocates for a data-driven approach, suggesting that properties embracing both free play and bonus-enabled games should apply advanced analytics. "Focusing on lost wagering time and actual cost is vital," he explained. By assessing how much time players spend in bonus rounds versus actively wagering, casinos can make more informed decisions about their promotional strategies.

Rich provided a striking estimate: "I would estimate that 40% of the gamer's time at the machine is spent sitting with no wagers involved in free spins, either game-activated or paid for via free play." This statistic underscores the need for casinos to rethink their approach to free play and bonuses. If a substantial portion of player time is spent in inactivity, the financial implications could be significant.

Nick pointed out that player development teams and casino hosts play a crucial role in this dynamic. "I have found that sometimes, slot attendants might hesitate to give out free play when a player has a "beef" on the machine, the slot attendant will cite policies or need permission from leadership. Allow slot attendants to just give the player Freeplay in the amount of the complaint. If they can just make a quick decision to resolve a player's issue, it can turn a negative experience into a positive one," he noted. And the Free-play goes right back into the machine and keeps the player in play. Nick's perspective on comping challenges traditional thinking. "Comping is a negotiation. If a player is asking for something, it is because they value what you have to offer. You need to determine how to make it mutually beneficial," he explained. He also stressed the importance of being strategic about comping. "Every situation is unique; players are individuals with different needs and motivations. You can't just apply a one-size-fits-all approach. You have to qualify the player and determine what they're looking for."

Jeffery M. Pletcher, Marketing and Hospitality Leader offered thought-provoking insights into the complexities of comp systems in the casino industry. His comments highlight the importance of strategic reinvestment, market differentiation, and understanding player behavior in a competitive landscape. Jeffery addressed the potential pitfalls of eliminating comp buckets entirely. "There are cons to not having comp buckets at all," he stated, pointing to the inefficiencies of a paper comp system. In this system, "everyone writes out comps, and nothing ever gets tied back to the player to track reinvestment and ROI." This lack of accountability can hinder a casino's ability to effectively manage its marketing strategies and profitability. To maintain a healthy bottom line, Jeffery advocates for a more structured approach to comp distribution. He expressed a preference for a comp bucket model that ties rewards to a rolling average of recent trips, stating, "I prefer the bucket that is a percentage of a rolling average reinvestment of the most recent 3 or 6 trips, depending upon expectation of frequency and distance to feeder market." This method allows casinos to better align their offers with actual player behavior and spending patterns. Jeffery also tackled the contentious issue of Free Slot Play (FSP), likening its removal to a "War on Drugs" scenario, where restrictions can inadvertently strengthen its appeal. "Removing FSP is like the War on Drugs; it only makes it stronger for some reason," he remarked. However, he cautioned that relying solely on price as a competitive advantage is a flawed strategy.

"Price alone is not a competitive advantage," he explained. Instead, he views it as merely the cost of entry into the market. As casinos lower their prices to attract more players, they often find themselves in a race to the bottom, where everyone suffers from reduced margins. "We all lose together when we keep lowering 'price' in an effort to gain more market share," he warned. Jeffery highlighted the impact of slot hold on a casino's ability to offer competitive promotions. "The caveat here is the average slot hold; the place with higher hold can afford more offers and bigger offers, but the locals will suffer the hold and go to the grind joints," he noted. This observation underscores the need for casinos to understand their specific market dynamics and tailor their strategies accordingly. Richard Lehman added, "bonus featured gaming with limitless free spins should have eliminated the need for issued free-play! The erosion of time on device while patrons enjoy awarded bonus free spins already impacts player Theo as coin-in is reduced while patrons patiently await the pre-determine outcome of the bonus round."

As the industry continues to evolve, casinos that embrace these principles will be better positioned to attract and retain players while maintaining profitability. The conversation around comp systems and market strategies is vital for shaping the future of the gaming landscape, and we look forward to further discussions on these topics at Reflecting on the changes in the industry, Nick lamented the loss of personal connections. "In my day, we would ask about players' families, their well-being. Now, it's all about 'Where's my free play?' This shift has diluted the richness of player-host relationships," he said. He advocates for a return to a more personalized approach. "We need to layer our comp strategies. Start with soft comps like food and rooms, then move to hard comps like gas cards and free play. It's about creating a holistic experience for the player." **Alfredo Dinsay Jr, an innovator in redefining Asian gaming hospitality in the Philippines and Asia**, offers a compelling perspective on player engagement. He emphasizes that while points and comps are useful metrics, they shouldn't be the primary motivators for players. "You regress the value of your player if they focus solely on accumulating points for comps and free play," Alfredo asserts. Instead, the key is to create an environment that encourages players to come in, get seated, and enjoy the experience for what it is. "Get them playing not for incentives, but for the excellence your establishment offers." He believes the true measure of player development is when individuals return simply for the enjoyment of gaming, with no external incentives necessary.