

# INDUSTRY INSIGHTS

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## Tribal Gaming Enterprises Move To Cashless Technology

### Insider's Insight

from TribalHub's Executive Officer, Mike Day



This October Industry Insights report covers the emerging move to an entirely cashless experience at casinos and resorts. By "cashless," I mean that all financial transactions and balances are digital representations of cash, and no actual physical hard cash is ever handled or required.

Cashless includes:

- Credit card payments or deposits
- Digital wallets
- Other online digital currency transactions

In a cashless environment, you don't need to bring hard cash with you to the casino, and you don't need to leave with any hard physical cash. Instead, you can make deposits, withdrawals, or any transactions of your funds/currency digitally directly from a slot machine, at a table game, from your cellular phone and app, from a self-service kiosk, or basically from any casino interaction point.

Cashless technology is not new. In fact, it is old news to most industries that have had it in place for many years. So, for the casino and resort industry, this change is perhaps not so much about adopting a brand new technology as it is about finally gaining the regulatory and compliance changes to be able to implement it.

For as long as I can remember, the move to truly cashless has been held back by regulatory fears related to problem gambling, money laundering tracking, tax reporting, and other similar concerns. But, very recently, that stance on cashless has shifted. As it did with many other seemingly slow-moving, if not completely "immovable" historical stances by regulatory bodies, the COVID pandemic expedited change. This was particularly true for technologies that promoted "social distancing" and contactless technology, such as cashless.

In the last few years, many states have introduced real money online casino gambling and sports betting. By their very nature, those products were introduced as completely cashless solutions. If a customer can play all of the available casino games online in a cashless environment, why should the experience be any different at the brick-and-mortar casino property?

For better or worse, hard cash has become mostly unnecessary in our world. Consumers of all ages have become accustomed to and accepting of cashless digital transactions. There are significant cost

savings to eliminating as much hard cash handling on the property as possible for casinos. For customers, cashless creates convenience and less waiting in lines.

Many of you may already have cashless on your radar as a project and transition for 2022 and beyond. However, if you have not yet considered it or started planning, I would suggest that you add it to your "to-do" list. The ability of the gaming and hospitality industry to handle cashless transactions in a manner consistent with almost every other industry is long overdue.

Over the past year, several partnerships have been announced to combine technologies into a complete end-to-end cashless gaming experience. Strict payment technology companies like Sightline, Global Payments and others, technology companies like Acres Manufacturing, and the four main slot manufacturers with proprietary casino management systems are partnering to provide operators with cashless technology.

TribalHub recently connected with Jonathan Michaels, SVP Strategic Development & Government Affairs at Sightline Payments to get an insider's view of how they see cashless technologies impacting casino operations.

### Insights From Industry Solution Provider



Casinos are one of the last cash-centered ecosystems in the world. Across other retail environments, digital payments account for the

overwhelming majority of transactions. Cash transactions at point-of-sale are only 20% today and are expected to slip to 13% by 2024. Guests can already pay for just about everything across an integrated casino resort—including restaurant, retail, and entertainment—with digital payments, but must withdraw cash to gamble on the casino floor. Recent research from the American Gaming Association shows that 54% of casino patrons would be very likely to utilize a digital or contactless payment option when they gamble if that option were available. Our industry is modernizing to meet this consumer demand.

Other than employment expenses, cash is probably the second biggest operational expenditure for any casinos. All operators know that cash is expensive to acquire, to count, to secure, to transport, and to watch. Think of the amount of time your pit bosses at your table games spend watching customers buy-in and gamble.

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Wouldn't those resources be better used engaging your guests and providing an optimal entertainment experience?

A cashless ecosystem can help reduce cash costs while benefiting your floor and marketing teams. Cashless ecosystems tie payments together across the entire integrated resort – from slot play, table games, and sports betting to restaurants, retail, and entertainment – which gives operators a more comprehensive perspective on consumer behavior than they've ever had before. The operator now has the ability to route on-property point-of-sale transactions through a closed loop network, providing real savings when compared to open loop interchange via card networks.

In addition to being cash-centric, the gaming industry tends to be very hardware centric. We rely on ATMs on the floor to dispense cash and kiosks to engage guests with marketing promotions and information on their loyalty accounts. Cashless gaming relies on one item that nearly all your guests have – a smart phone. Through a mobile loyalty platform, a guest can access their loyalty card, their points balance, their comps, their offers, and even enter drawings. Operators can now also add cashless functionality to a mobile loyalty platform. Building a digital payments infrastructure into an app that guests can use on their smart phones enables all the functionality enjoyed in airline, hotel, and retail apps, providing the operator with a better way to engage customers both on-property and off-property.

Resorts World Las Vegas became the first casino in the United States where patrons can enjoy all aspects of their experience at the integrated resort without the need to carry cash. The cashless ecosystem that is coming to life there highlights to the entire gaming industry the impact that payments innovations can have on the integrated casino resort. Cashless activations create a myriad of opportunities for operators and for guests alike – and from what we've seen so far, a huge number of guests are demanding that cashless experience.

Interested in learning more about how cashless solutions can work for your organization?

Please email Jonathan Michaels  
([jmichaels@sightlinepayments.com](mailto:jmichaels@sightlinepayments.com))  
to discuss further.



PROS	CONS
<ul style="list-style-type: none"> <li>✓ Reducing cash handling reduces cost &amp; your labor force</li> <li>✓ Fast, simple, convenient it allows for Contactless payment supports social distancing and safety</li> <li>✓ Digital paper trail can improve auditing &amp; reduce money laundering</li> <li>✓ Omni-channel solution - Ability to reload at table game, slot machine, online casino or casino cage</li> <li>✓ Electronic records maintained for each transaction &amp; safer PIN type transactions can eliminate cash theft</li> </ul>	<ul style="list-style-type: none"> <li>✗ Cash is dirty &amp; can spread bacteria or virus</li> <li>✗ Privacy concerns from customers</li> <li>✗ Effect on problem gambling still unknown</li> <li>✗ There's no way to accept payments if system is down</li> <li>✗ Cybersecurity of customer accounts and data becomes a new requirement</li> </ul>

### Cashless at TribalNet 2021

The 22nd Annual TribalNet Conference and Tradeshow is one week away. This year's Tribal Gaming Technology Track includes a session on "Cashless – the role of technology in preparing and implementing".

Join us on Monday, November 8th at 1:30 PM during TribalNet 2021 for a session presented by:

- **Kurt Williams**, Co-Founder & CEO at Casino Cash Trac
- **Rick Arpin**, Managing Partner, KPMG
- **Ram Patrachari**, CIO/VP of IT Services, Viejas Enterprises

During this session, you will learn valuable information on how the pandemic has accelerated the speed of change and acceptance of this technology, and now is the time to create a strong strategy around your cashless implementation. You will hear about the technology and the operational considerations around the move to cashless.

Find out more information at [tribalnetconference.com](http://tribalnetconference.com)

## TRIBALNET 2021 CONFERENCE & TRADESHOW

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### Insights on Solutions from TribalValue Partner NexGen Technology



The journey to completely cashless solutions will not happen overnight. In the interim and during the transition, there are technology enhanced cash handling solutions you should consider to reduce costs and save time and resources. One such solution is from NexGen with their unique cash handling and recycling.

NexGen shared the following information about their solution. NexGen Technology revolutionized the standard full-service cash handling kiosk by partnering with NCR and utilizing their recycler technology.

NexGen's technology is the only full service kiosk that provides a 100% recycling of cash. The recycler technology can accept cash for deposit directly into any cashless slot play system such as a digital wallet or loyalty card. Depositing the cash into its designated cash cassette and providing the funds to be uploaded into the customers digital wallet or loyalty card means more time for the players to play and a true recycling process for our customers.

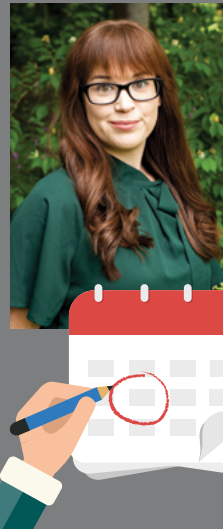
The front load aperture allows the property to conduct fills without swapping cash cassettes. Customers have seen a decrease in labor hours and cash liability by 50%+.

The Bunch Recycling (BRM) module allows the casino patrons to redeem multiple tickets in one single transaction, as well as, bill break multiple bills in one single transaction quickly. Getting casino players back to playing is important to our customers. NexGen's patented technology allows the redemption of tickets and bill breaking transactions without the use of a bill validator. One property eliminated the daily/weekly drop since the bills were deposited directly into the designated cash cassette and the redeemed tickets deposited into the deposit bin. The BRM was designed specifically to handle casino quality notes vs. purchasing "ATM" fit bills saving our customers cost of cash.

The NexGen83 is dependable and makes service easy. With 3 integrated cameras you get visual aid to support a much faster customer dispute resolution right at the kiosk without having to open any cassettes. The cameras completely eliminate costly cross load errors as every note dispensed is validated for each denomination and authenticity.

Let NexGen Technology revolutionize your gaming floor. Visit [TribalValue.com](http://TribalValue.com) to learn more about NexGen Technology and exclusive negotiated deal for tribes.

### Are you taking full advantage of your TribalHub Membership?



Contact your Membership Representative, Tiffany at [tiffany@tribalhub.com](mailto:tiffany@tribalhub.com) for an insightful conversation on how to best utilize all the benefits and discounts available through your TribalHub membership! Or book some time on Tiffany's calendar!

### TRIBALNET 2021 CONFERENCE & TRADESHOW

NOVEMBER 8 - 11, 2021

GAYLORD TEXAN RESORT & CONVENTION CENTER • GRAPEVINE, TX



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- Members Only check-in lines at registration
- Members Only gift at registration
- Early access to the Meet and Greet event, with trolley ride and drinks
- Plus more perks to come!

