



the **INSIDE** Straight™

Dear Poker Professional,

Greetings and salutations. There's a lot going on in the "Poker World," and this issue is stuffed with information to help you improve your revenues and your interaction with the IGT Poker team!

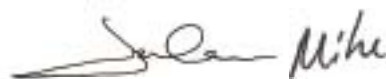
First and foremost, we're enhancing our ability to help customers with video poker by expanding our personnel and geographic coverage. Poker is growing in popularity, and to ensure that we help you take the best possible advantage of this, we've added dedicated reps in Southern California and in Chicago – close to much of the action, and where we can read the same newspapers you do! Full details about our expanded service abilities are inside.

Heads up! As the poker mystique expands throughout the country, there are many tricks of the trade operators need to know to protect themselves and ensure they aren't inadvertently leaving money on the table, or paying too much to some and not enough to the rest. "If you can't beat 'em, join 'em," as they say, so we've enlisted industry guru Bob Dancer to tell us about some of the weaknesses savvy poker pros seek out and exploit on casino floors – maybe even yours. IGT Video Poker – we've got your back!

You'll also find a couple of revenue tales based on what our gang sees in the field, giving you some examples of how to make more money and more players happy. We're proud to be your eyes and ears covering the country and bringing ideas and recommendations to you. We've also updated our video poker home page, based on your feedback, making it more useful and easier to navigate. See? We do listen, so keep those cards and letters coming!

Lastly, some exciting news about your video poker team's management duo, John and Mike. Mike has joined the Action Gaming team to dedicate his time and energy to the growth and development of video poker – while still working side-by-side with John and the rest of the video poker crew! This means that John is now the IGT big gun for poker as Director of Video Poker Products. Perhaps even more exciting is that John and his team are now in charge of ALL video poker products, including Game King® and Keno. This is a great move for John, but especially for you as it puts his considerable expertise and efficient team to work with a critical "meat and potatoes" product that every casino needs to succeed.

There's lots going on as we constantly strive to improve our product line for you!



April 2005
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Video Poker News for the Casino Professional



Mike Fields, a Man of Action

When Mike Fields joined IGT in the summer of 2001, he arrived with great ideas and visions for building a top-notch video poker team. He began by calling for the creation of a publication dedicated to video poker – one that would speak to the friends and customers of IGT. *The Inside Straight™* newsletter was born a few months later, and here you are today, reading the 15th issue since our first edition came off the press in September of 2001.

During this time Mike led our Video Poker team to greatness. He was so successful as Director of Marketing for Video Poker, in fact, that he soon found himself wearing a similar hat in the *MegaJackpots®* department. Even with the increased responsibilities, Mike managed to work his magic in both areas of the company without missing a beat.

Last December, Mike announced plans to leave IGT to assume the position of Executive Vice President of Action Gaming, Inc., the company credited with creating the *Triple Play™* draw poker game and its many multi-hand offspring. On January 3, Mike began his tenure there.

The good news is that, being with Action Gaming, Mike will still be very close by, actively contributing to these pages in his own special style, and no doubt doing very Vice Presidential things behind the scenes. We wish you well, old friend, and look forward to making ever-greater strides for video poker now that you're on the "inside."

The Video Poker Staff

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The ABCs of Progressive Poker

By Mike Fields

Progressives come in every conceivable form, shape and size, and are powerful tools you can use to appeal to the players you'd like to have visit your casino on a regular basis. They build player loyalty and stimulate "impulse" play (think grocery store displays). Done right, this approach develops loyal, happy players, and increases operator revenues. No matter what kind of facility you manage, consider how one or more of the following ideas might work for you.

Example 1. Traditional Progressives

This is one of my personal favorite progressive setups. You can see it in action at Barley's, a local brew house managed by Stations Casinos. This is a great place to get a cold, handcrafted ale, some tasty food, and a decent shot at a good jackpot.

ROYAL FLUSH	250	500	750	1000	\$6583.21
STRAIGHT FLUSH	50	100	150	200	250
4 ACES	160	320	480	640	\$802.24
4 2s, 3s, 4s	80	160	240	320	\$410.87
4 5s THRU KINGS	50	100	150	200	\$275.27
FULL HOUSE	9	18	27	36	45
FLUSH	6	12	18	24	30
STRAIGHT	5	10	15	20	25
3 OF A KIND	3	6	9	12	15
TWO PAIR	1	2	3	4	5
JACKS OR BETTER	1	2	3	4	5

HELD	HELD	HELD	HELD	HELD
A♥	J♥	7♠	10♥	A♣
BET 5 CREDIT \$15.00				
DRAW				

In this setup, Barley's has taken the *Double Bonus Poker®* game family and progressed the royal, aces, four 2s through 4s, and four 5s through kings – all on top of a 9/6/5 base game. That's

(continued on page 3)



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See current and back issues of *The Inside Straight* and other popular IGT newsletters at www.IGT.com/Newsletters.

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The ABCs of Progressive Poker (continued from page 2)

an okay play, but locals keep an eye on this one because savvy players “know” the royal is “ready” when it gets over \$6,000. They also chase the aces when that meter is up around \$850 or higher.



The clever managers at Barley's also utilize an increased reset so when the royal hits, it doesn't come back “naked” at \$4,000, but rather always a few hundred higher. They offer several game families on these boxes on \$1 and \$2 denominations. This bank gets tons of action, and is one of the best traditional setups I've seen.

Example 2. Making Money at the Bar

Bar-top gambling is prevalent here in Nevada, and many casinos around the country have the same offering. Some have learned, however, that it can be tricky making money at bars for a variety of reasons – from the “fleas” and “one-coin wonders” who suck up profits (along with a lot of beer), to dealing with the challenge of enticing players away from the main floor to gamble at the bar. PT's pubs – another of our favorite locals' joints, and part of Golden Route Operations – does a really nice job with some simple manipulation of the *Game King* box.

For starters, they “coin-up” the quarter games to 10 coins per hand, versus the normal 5. You can still play 5 coins per hand, and they still bonus the royal at 5 coins, but people inevitably “go for it” and play for the big one, especially when the stakes include nicely progressed jackpots.

PT's has taken our *Double Double Bonus Poker*® family in quarters, on a 7/5 base game, and progressed the hands that double-double players believe “they can really win,” the

ROYAL FLUSH	1800	2100	2400	2700	8000
STRAIGHT FLUSH	240	280	320	360	400
4 ACES WITH ANY 2,3,4	2400	2800	3200	3600	\$1136.05
4 2s, 3s, 4s W/ACE 2,3,4	960	1120	1280	1440	\$685.88
4 ACES	960	1120	1280	1440	1600
4 2s, 3s, 4s	480	560	640	720	800
4 9s THRU KINGS	300	350	400	450	\$130.80
FULL HOUSE	60	70	80	90	100
FLUSH	36	42	48	54	60
STRAIGHT	24	28	32	36	40
3 OF A KIND	18	21	24	27	30
TWO PAIR	6	7	8	9	10
JACKS OR BETTER	5	7	8	9	10

HELD	HELD	HELD	HELD	HELD
J	10	K	2	K
♠	♠	♥	♣	♦
♠	♠	♥	♣	♦

WIN 10	BET 10	CREDIT 40
SEE PAYS	250	BETS DEAL

aces and 2s- through 4s-with-a-kicker combinations. They successfully grow their quarter players into half players, and the play is strong, as is the loyal patronage. Their charming and attentive staff definitely contributes to the stimulating atmosphere. If you want to do more with your bar business, try this approach!

Example 3. Multi-Hand, Multi-Player Pleasure

As mentioned in our January 2005 newsletter, the Gold Coast – a favorite with Las Vegas locals – recently devised a creative setup using 12 *Triple Play*™/*Five Play*®/*Ten Play*™ draw poker machines. They're running 20 different progressive levels on each. There's 2-cent *Ten Play*™ poker with the all-hands royal flush progressed. The 5-cent *Five Play*® poker games are also set up with a progressive for the all-hands royal flush. And quarter and dollar players can enjoy *Triple Play*™ action with the royal flush progressed on each individual hand, as well as the all-hands royal flush.

The Gold Coast uses a simple but elegant LCD to display progressive values. This is a great way to advertise your progressives, especially when you have this kind of variety. And with so many choices, you can accommodate almost any player who comes through the door.

Right about now you should be nodding knowingly, and conjuring up ways to implement some of these inside ideas in your own casino. As you can well imagine, there's no limit to how creative you can get when configuring your progressives. Done right, you and your players will both enjoy the results!



What To Do With Poker Paytables?

By John Daley

What is the right payback percentage for your video poker paytables? In my travels I've come across a number of operators who struggle with this question, and most have asked for our advice on what to do, so I thought this would be a good time to share some thoughts on poker paytables.

In one market I visited there were three casinos vying for the same players. At two of these properties I was told "...poker just doesn't work in this market," while at the third casino, video poker was making as much as their video reel games. What made the difference?

To understand why this works we must first understand video poker players. These people are looking for time on device so they can chase the quads and the royal – especially if there's a juicy royal flush progressive waiting in the wings. To give them more time on the machine, the lower end of the payable has to be generous enough to keep them interested and playing.

It's also important to know whether to focus on the hold percentage or the win. In the days when I managed a small casino in Deadwood, South Dakota, we were all consumed with our net win. Today I find more and more operators focused on the overall hold percentage of the floor. Increasing the hold percentage on video poker tends to drastically reduce the win. Remember, players can see the percentage the game is set at simply by looking at the payable – and that's not something they can figure out on slots.

With all the books, magazines and live instruction that players get today, they've become smarter shoppers. In a market that has competition, players will find the casino with the best poker paytables and will make that their regular casino. From an operator's point of view, video poker should be judged solely on the net win and not the hold percentage.

ROYAL FLUSH	250	500	750	1000	4000
STRAIGHT FLUSH	90	100	150	200	250
4 ACES	160	320	480	640	800
4 2s, 3s, 4s	80	160	240	320	400
4 5s THRU KWDS	50	100	150	200	250
FULL HOUSE	9	18	27	36	45
FLUSH	5	12	18	24	30
STRAIGHT	4	8	12	16	20
3 OF A KIND	3	6	9	12	15
TWO PAIR	1	2	3	4	5
JACKS OR BETTER	1	2	3	4	5

For a five-credit max bet, a tight, 96.4% payable returns 30 credits for a flush, and 20 for a straight – a 9/6/4 game.

ROYAL FLUSH	250	500	750	1000	4000
STRAIGHT FLUSH	90	100	150	200	250
4 ACES	160	320	480	640	800
4 2s, 3s, 4s	80	160	240	320	400
4 5s THRU KWDS	50	100	150	200	250
FULL HOUSE	9	18	27	36	45
FLUSH	5	12	18	24	30
STRAIGHT	5	10	15	20	25
3 OF A KIND	3	6	9	12	15
TWO PAIR	1	2	3	4	5
JACKS OR BETTER	1	2	3	4	5

Although the return for a flush stays the same on a 97.8% game, the win for a straight increases by one credit for each credit wagered – a 9/6/5 game.

ROYAL FLUSH	250	500	750	1000	4000
STRAIGHT FLUSH	90	100	150	200	250
4 ACES	160	320	480	640	800
4 2s, 3s, 4s	80	160	240	320	400
4 5s THRU KWDS	50	100	150	200	250
FULL HOUSE	9	18	27	36	45
FLUSH	7	14	21	28	35
STRAIGHT	5	10	15	20	25
3 OF A KIND	3	6	9	12	15
TWO PAIR	1	2	3	4	5
JACKS OR BETTER	1	2	3	4	5

Loosening this payable to 99.1% retains the higher return for a straight, and enriches the win for a flush – a 9/7/5 game.



What's the difference between a 99.1%, 97.8% and a 96.4% game? Well, let's use *Double Bonus Poker* with a 5 coin wager as an example. In all three of the payback percentages shown on page 4, the royal flush pays 4,000 credits, the straight flush pays 250 credits, four aces pay 800 credits, four-of-a-kind 2s, 3s, or 4s pay 400 credits, four-of-a-kind 5s through kings pay 250 credits, and the full house pays 45 credits.

So far the top six hands all pay exactly the same regardless of the payback percentage, but when we get to the flush we start seeing some changes. On the 99.1% game a flush pays 35 credits. On the 97.8% and 96.4% paytables the flush pays 30 credits. The only other difference in paytables is the straights on the 99.1% and the 97.8% games – where the straight pays 25 credits – and on the 96.4% game where the straight pays 20 credits.

When was the last time you saw a video poker player win 20, 25, 30, or 35 credits and decide to cash out? It doesn't happen very often, unless they have to leave to meet someone, or head out for dinner reservations or something. Most of the time they're going to stick around and play. So what have you really

given them by increasing the straight and flush payouts? MORE TIME ON THE DEVICE!

The changes in payback percentages do not change the paybacks for the larger hits, which are typically the walk-away hits. It only changes the paybacks on the straights and flushes. Trump Indiana understands this and has capitalized on their payable advantages. Trump decided to try this theory out in one of their poker areas, increasing paybacks on their video poker per our recommendation. The result? The looser games generated a 30% increase in win!

Video poker players tend to be extremely loyal customers who will come back time and time again. So why not give it a shot on one or two of your video poker banks, and advertise it! Let players know which banks pay back 99% by putting paddle toppers on the games. Test it out for 90 or 120 days and see what your win does – and tell us! Worst case: the change does nothing for your win so you put them back to the old payable. Best case: you increase your poker win and develop more loyal players.



Good Luck, and remember –

Poker Rules!

Looser paytables at Trump Casino, Indiana, have increased win by up to 30%.





Please Players with Paytable Parity

By Mike Drummond

Uprights, Slants and Bar Tops Too!

In my travels throughout the Midwest, Mississippi and Louisiana, I've noticed that often times banks of games right next to each other – or bar tops across from a bank of games – have different, tighter paytables than their neighbors. This is frequently the case with bar top machines.

Bar players might be a bit different than a traditional bank player, but they still want a decent gamble for their money. Sure, they want free drinks and attention from the bartender, but they essentially want the same as everyone else – a decent shot at the house.

I tend to hear from properties that their bar is not performing as well as their

other video poker games. When I see single hand or multi-hand quarter *Double Bonus Poker* with an 8/6 at the bar, and then look behind me and see the same game on an upright or slant with a 9/6... well, you do the math. Most players don't play perfectly, but they're learning how to shop.

If players see a bunch of tight games, they might mistakenly conclude that you run a tight store. Standardizing paytables is good for everyone. If you need to make up for the free drinks and lower play levels at the bar, here are some ideas:

- Offer games that are competitive with the traditional ones on the floor.
- Coin-up the bar games to 10-coin quarters, and get more action from players for the privilege of playing at the bar.

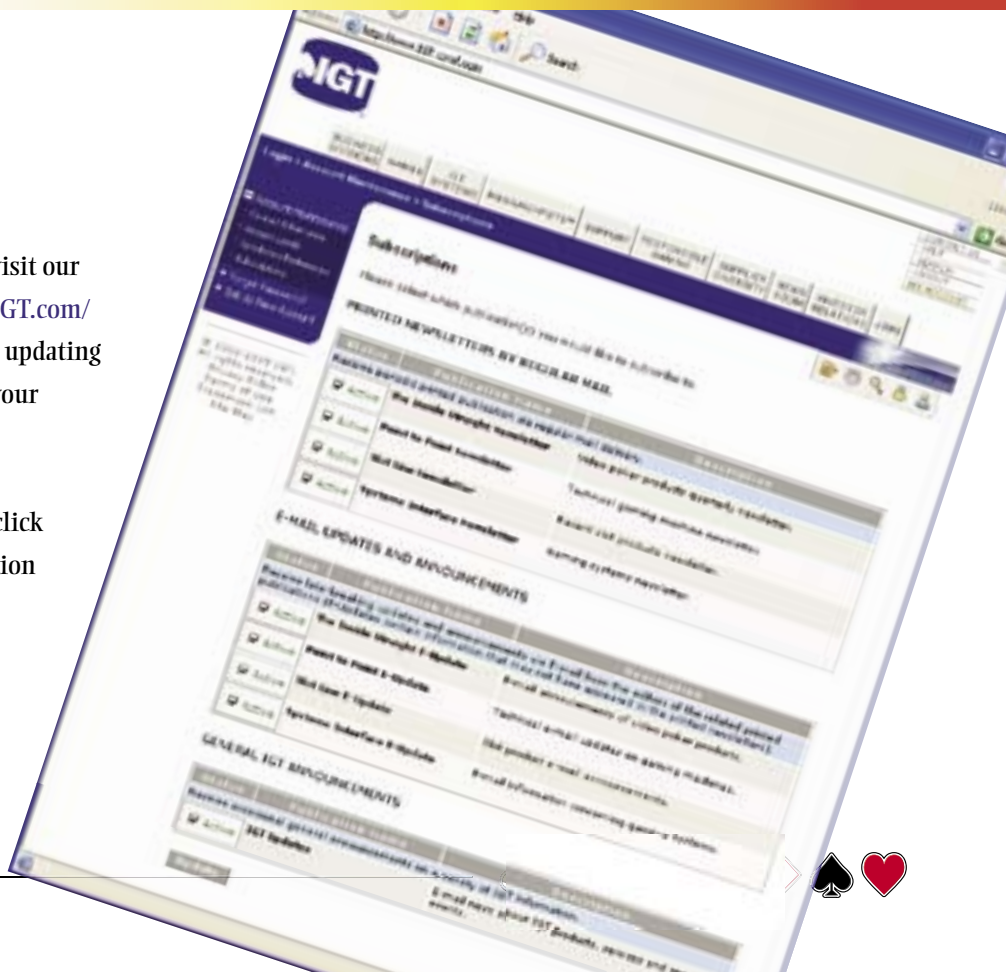
- Offer multi-hand games to ensure more coin-in, and manage the game and denomination, where the *Triple Play* game is only offered in quarters and above, and *Ten Play* games are offered in dimes and above.
- Introduce a progressive. A loyal progressive-hunting gambler will run your non-playing drinkers right out of there.

You can try your hand at mixing and matching tight and regular paytables in common areas, but manage the paytables, denoms, and how they play in order to maximize your profits. Let them have a good shot, and at the end of the day you're going to come out ahead.

Video Poker Online

Next time you're surfing the Internet, be sure to visit our new and improved video poker web site at www.IGT.com/VideoPoker. We're constantly adding content and updating the information available there, so add a link to your "favorites" and check back often.

While you're exploring the site, take the time to click on "LOGIN" and verify your newsletter subscription preferences and mailing address. We've changed the subscription request layout to make it easier for you to choose the printed newsletters, and/or late-breaking news "E-Updates" (E-mails) you prefer to receive.



Beware of Smart Players

By Bob Dancer

Anyone smart enough to spend countless hours perfecting video poker strategy is smart enough to find and exploit subtle weaknesses on your floor. And there are plenty of weaknesses to find, if you know where to look. As video poker grows in popularity and market share around the country, we find that many operators aren't aware of possible chinks in their armor. So your humble IGT and Action Gaming friends in "video poker land" are revealing some secrets in this two-part article by one of the sharpest poker gurus we know, Bob Dancer. Read and see if you're on "the list." And if you're not sure how to apply all of what Bob talks about here, call us and we'll help you. The fact is, you might be vulnerable to savvy players' efforts right now!

Smart Players Look for These Mistakes – Part 1 of 2

Casinos are in the business of offering gambling opportunities to players. Casinos know there have to be winners for the players to keep coming back, but the plan is for the amount won by the winners to be considerably less than the amount lost by the losers. On the other side of the "table," savvy players are continually in search of intelligent gambling opportunities. They'll play the loosest games with the most generous slot clubs and promotions.

This dynamic is understood and accepted by all sides. A certain number of better-than-average players are more-or-less easily tolerated.

Some players look for casino mistakes. It's very difficult, these players reason, to beat the casinos when the house sets all the rules. It's easier when the conditions on the casino floor are not the same as what the managers on the second floor designed them to be. Typical errors these players look for are:

- a. **Wrong pay schedule** – If you have machines with four denominations and ten games per denomination, you have forty games that have to be "just right." If you have a lot of these machines, there can be hundreds, thousands, or even tens of thousands of different machine/denomination/game combinations. Often the technicians setting up the machine aren't particularly knowledgeable, video-poker-wise. If a few of the games have accidentally been set looser than house "standard," your savvy players will find them. (Unusually high handle and low win is often an indicator of this.)
- b. **Wrong count down** – In many casinos, different machines have different slot club rates, either for cash back or comps, or both. It is very common for video poker, for example, to receive considerably less benefits than slot machines. What if your loosest video poker machines were paying out slot club benefits at the slot machine rate? At some casinos, this can easily push the return to the player into over-



100% territory. If your slot club system has a visible countdown, this kind of mistake is easy to find and correct. But if your screen says "ACCEPTED," then this information is hidden.

- c. **Wrong theoretical** – Let's say your casino figures the theoretical on 9/6 Jacks or Better at 2% when the game is on a stand-alone box. If the same game is on a multi-game box, the entire box might be set at a theoretical rate of 4%. The player is playing the same game, but on one machine he earns twice as much in comps as he does on the other machine. Players can find this information by asking the right questions of hosts, who generally do not see the value of keeping this information secret.

None of these mistakes are that hard to prevent if you take the time to systematically check things. Checking can be boring and yield nothing, but it's very expensive if it isn't done when that inevitable mistake comes in. In part two of this feature, coming in the next issue of *The Inside Straight*, I'll share with you some less-common mistakes that smart players attempt to exploit.

Bob Dancer is America's premier video poker writer and teacher. In addition to being an active player, Dancer is president of Compton Dancer Consulting, and his specialty is helping slot departments evaluate their video poker product and to assist in designing effective and profitable promotions. Bob can be reached via e-mail at BobDancer@cox.net, or visit his web site at www.bobdancer.com.



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Up Close and Personal IGT Video Poker

In the last issue of *The Inside Straight*™ we introduced you to three new members of the IGT Video Poker team, Sal Lambert, Erika Reuter, and Kevin Alexander. These folks were so new, in fact, that at press time we didn't even have photos of them. Well, now that they're settled in and are making the rounds, we've managed to hold their feet to the ground just long enough to get a good look at them through the camera lens.



As West Coast Poker Specialist, Sal Lambert takes care of IGT customers in Arizona, California, New Mexico and Oregon. Sal brings over a decade of gaming experience to the team, gained while working at Anchor Gaming and IGT.



Operating from her office in Chicago, Erika Reuter is responsible for a mix of traditional and Native American customers in the Midwest and Northeast. Armed with years of experience selling slots, sign packages and electronics for Mikohn, Erika is a great fit for our Video Poker team.



Kevin Alexander is well versed in the ways of IGT, joining us from IGT's Casino Services. His new role as Supervisor, Video Poker Products, involves keeping track of over 18,000 EPROMS both installed in the field and in inventory.

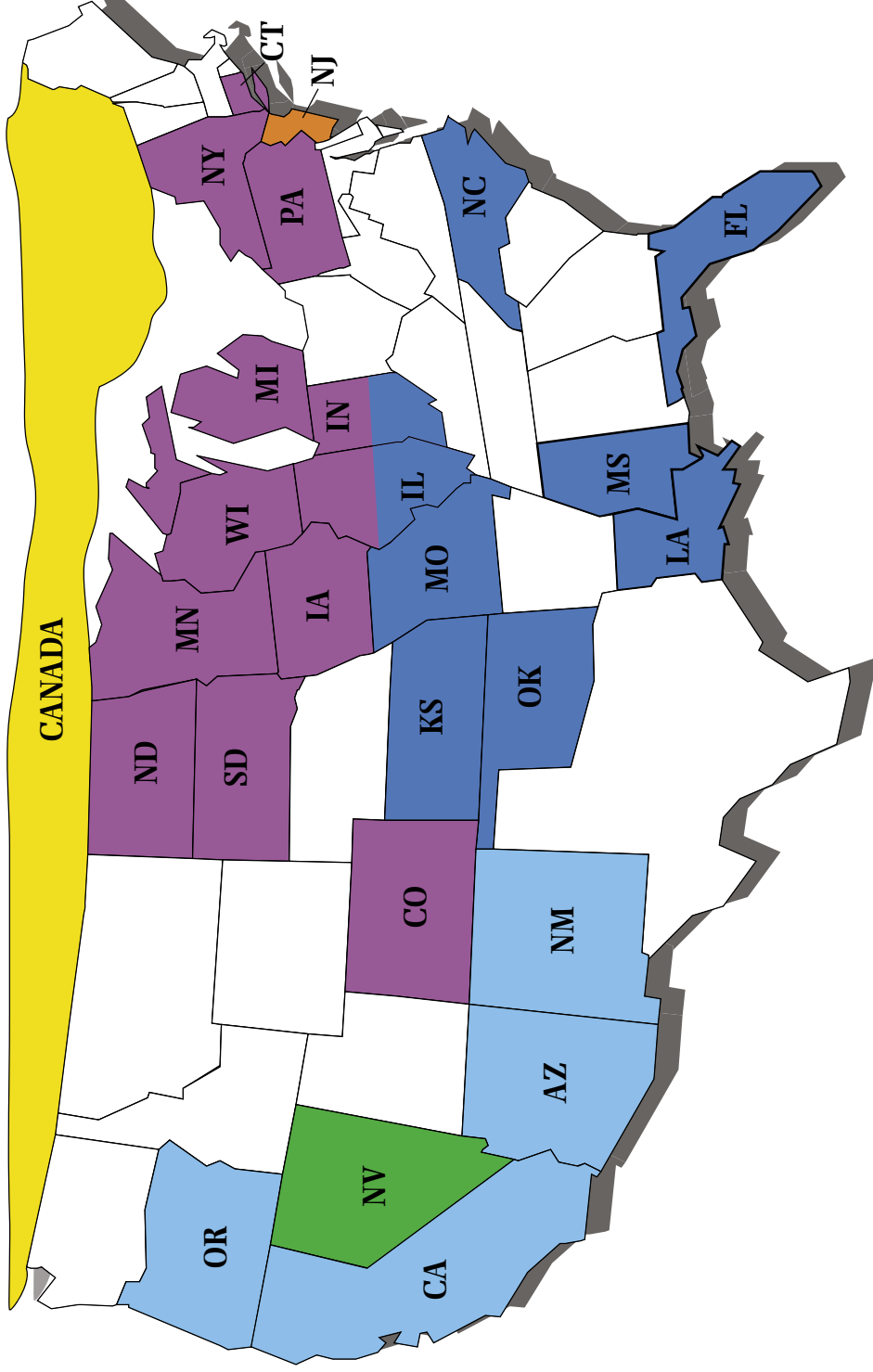
*Please welcome the new crew,
and know that we're working
together to make sure your
needs are met at every level,
all the time.*



The IGT Video Poker team includes (left to right), John Daley, Director of Video Poker Products; Sal Lambert, West Coast Poker Specialist; Erika Reuter, Midwest/Northeast Poker Specialist; Nikol Abelman, Nevada Senior Poker Specialist; Mike Drummond, Southeast Senior Poker Specialist; Brian Dillon, Editor of *The Inside Straight*; and Kevin Alexander, Supervisor, Video Poker Products.

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