

Smoke ‘Em If You Got ‘Em

By Roger Gros *Fri, Aug 20, 2021*

Would an industry-wide smoking ban in casinos have a negative impact on revenue? The benefits may outweigh the cost.



Since I’ve never been a smoker, my viewpoint of smokers and smoking is a bit skewed. My father smoked his entire life—the real killers, unfiltered Chesterfields or Camels. But he recognized the inherent dangers of cigarettes, which he called “coffin nails” or “cancer sticks” at various times. While he died of cancer at the relatively young age of 68—an age I’ve already surpassed—it wasn’t the lung cancer that is usually associated with tobacco use.

When we were young, he offered me and my two brothers \$500 if we reached the age of 18 without smoking and \$100 every year up to the age of 21 if we kept off the stuff. For me, it wasn’t difficult. I couldn’t stand the smell or taste of tobacco, so I cashed in. My two brothers couldn’t make it and today are still inveterate smokers. Maybe a reverse case of “Do what I say, not what I do.”

As a dealer in Atlantic City in the 1980s, I began to dread the players who smoked and the inevitable secondhand smoke that would drift my way—or get blown directly in my face if a particularly nasty player didn’t like losing. So I completely get the disgust that today’s casino employees often display toward smokers—hopefully not directly to their faces.

We’ve heard down through the years that smokers are critically important to the revenues of the casinos. There are various stats that purport to prove this “fact” but I have my doubts. Yes, I can see slot players sitting for hours with their ashtrays and smokes, feet perched on the slot base, eyes glazed over, pumping the money into the game. But what would be the harm to make them take a break every hour or so and go out to a smoking porch outdoors to get their fix?

To be honest, a friend who was running an Ohio racino showed me a smoking porch that he had stuffed with slot games. He told me that those games won three times as much as the indoor machines. I didn’t ask him how he set the hold percentage, but I get the impression it wouldn’t matter to the players as long as they’re allowed to smoke.

Last month, I got a call from Andrew Klebanow, one of the industry’s most thoughtful consultants, and a voice in the wilderness for years advocating ending smoking in casinos. He asked me if the

Atlantic City gross gaming revenue report for June 2021 had indeed set a new record. If so, he said, that's an amazing statistic. After all, Atlantic City revenues went up for 30 straight years and never hit that number. Now, granted the June revenues included a nice contribution from iGaming, but it still showed strong contributions from the land-based casinos.

Still, Klebanow pointed out that throughout the month of June smoking was not permitted in any Atlantic City casino. So the contention that banning smoking would severely impact casino revenues is almost disproven by the June record results.

In July, New Jersey Governor Phil Murphy relaxed the smoking ban, allowing smoking in the 25 percent of the casino previously designated prior to the pandemic—a joke actually, since there is almost no control over where people smoke within any Atlantic City casino. And given Murphy's strict restrictions during the pandemic "protecting" the public, his quick about-face on smoking is typical hypocrisy.

The dirty little secret about smoking in casinos is that most CEOs and senior execs would welcome a smoking ban. The cost of cleaning up after smokers is not given enough attention. Burns in carpets or table layouts, the haze of smoke in an enclosed casino, saturation of smoke into carpets, drapes and upholstery are all costly to casino operators. A smoking ban would virtually eliminate those problems.

But casino execs don't want to be the first, especially in competitive markets. When Revel opened in Atlantic City in 2010, GM Kevin DeSanctis opened the property smoke-free. Lots of smokers avoided the property for that reason. Granted, Revel was also a bit stingier than other casinos when it came to comps, so a smoking ban wasn't the only reason for its failure. But it shows the danger of being the first.

If all operators in one jurisdiction got together to agree to a smoking ban, the impact on revenue would not be that dramatic. It would also show that operators care about the health and welfare of their customers, a message that became the central issue in the recovery from the pandemic.

So can't we all just get along? Maybe a blanket ban from all members of the American Gaming Association would be a place to start. But it takes a few heroes who would be ready to pick up the gauntlet and move forward. Who has the courage?

Roger Gros is publisher of Global Gaming Business, the industry's leading gaming trade publication, and all its related publications. Prior to joining Global Gaming Business, Gros was president of Inlet Communications, an independent consulting firm. He was vice president of Casino Journal Publishing Group from 1984-2000, and held virtually every editorial title during his tenure. Gros was editor of Casino Journal, the National Gaming Summary and the Atlantic City Insider, and was the founding editor of Casino Player magazine. He was a co-founder of the American Gaming Summit and the Southern Gaming Summit conferences and trade shows. He is the author of the best-selling book, How to Win at Casino Gambling (Carlton Books, 1995), now in its fourth edition. Gros was named "Businessman of the Year" for 1998 by the Greater Atlantic City Chamber of Commerce, and received the Lifetime Achievement Award from the American Gaming Association in 2012.