

## Frank Floor Talk

# Frank Floor Talk: Acres Foundation — It might be the next big thing

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Many technologists argue that our current slot and player tracking systems generate too much data. They say that most operators can't take advantage of all that information, and that we'll be forced to use advanced analytical software and/or artificial intelligence systems just to understand it all.



Acres Technology is taking an opposite view and an entirely different approach with a new system called Foundation. Company founder John Acres says we really need more data to become cost-effective and better serve our customers. He's convinced he knows how to get that data and use it to increase profitability dramatically.

"A few years back we came to the conclusion that our industry was being let down by technology," Acres says. "We weren't moving forward that fast and were falling

further and further behind. I strongly believe that casinos can at least double or triple their profits, create more visits and get their customers to spend more."

If these claims came from someone else, they might seem like "snake oil," but Acres has some strong credentials that we'll describe later.

He says, "Today's systems are designed to collect information for a monthly mailer. They put their players in tiers, and then send everyone in those groups the same offer." In even stronger language, Acres believes, "we want to transform bonuses into temptations, rather than bribery. When you just give a player \$20 because they had \$2,000 in Coin In, you'll find your customers will just start shopping for the best offers. However, if we replace that with something like 'You've won the next five wins of *Double Jackpots*' and only make that offer when their credit meter is low, you'll extend play and produce happier players. You'll stop wasting money rewarding winning players, and thus

give more to those who may have left before, but now have the potential to stay longer and play more.”

The way to do that, Acres says, is to capture more data on individual players in real-time that can be “actionable.” He says today’s systems can’t do that, but his new Foundation units can.

That’s not totally correct. All manufacturers’ systems *could* capture that data, since it is produced from the machines by what’s called SAS protocols. SAS stands for Slot Accounting System and was developed years ago by IGT. Today, it has been adopted by all manufacturers. Versions 5.0 and above all produce the kind of data Acres is describing. ([Here’s a link](#) from IGT to give you a background on SAS.)

But he’s absolutely right that virtually none of the current systems choose to capture, or at least retain, that data long enough to use it to show individual player activity in real-time. To gain efficiency and minimize storage requirements, most systems consolidate that data shortly after it is recorded and then “throw it away at collection points.” Acres’ marketing materials claim, *“Over the course of a single play session, Foundation can produce thousands of additional data points, giving you the ability to profitably influence your players in real-time. Foundation can write credits, issue free play, change the paytable, initiate free spins, trigger bonuses and more!”*

In other words, the Foundation system can see what’s happening with a player and make personalized rewards on the spot. If a player is on a losing streak, it can generate bonuses. It can watch the credit meter and see when it is low or high in any given session. It can also tailor features that come from a guest’s profile like his favorite sports teams or TV shows. Imagine, getting double jackpots for five minutes every time your favorite football team scores a touchdown. Foodies could get personalized restaurant comps. And so on. The options are limited only by the casino operators’ imagination once they have the data.

Foundation doesn’t require an investment in expensive display technology; rather, it uses a simple multi-colored bezel on the slot machine or the player’s own mobile device to indicate when they are receiving an award or automated bonus. It can be delivered to their credit meter, their player’s club account or their mobile e-wallet on their phone.

Acres says one reason others haven’t kept up with this kind of technology is that they don’t have “modularity” in their designs. “All the systems today are monopolistic, so each casino or jurisdiction has a somewhat customized version.” That means upgrades for technology and new ideas can be onerous. He says, “We can do updates in a couple of weeks, instead of waiting months and months.”

How does Foundation work? Acres installs a new piece of hardware between the slot machine and the casino’s existing slot system to collect data (the small component shown in the photo). But it passes everything else through, so there are no changes to



the functions or features of the existing tracking system, whether it's from Bally, IGT, Aristocrat or Konami.

Interestingly, the data from Foundation can be retained and is owned by the casino itself for use in a variety of ways. Some corporate

customers like Penn National Gaming can develop their own strategies with the Foundation information, while others may have Acres assist them in bonusing or other applications. That may not seem unique, but most of the traditional slot systems have historically been hesitant to provide a useful mapping of the individual data points they have collected to the casino operators who generated it (strange, but often true!).

The concept for Foundation began as the bonusing system described above. But several other features have evolved. Cashless gaming at the slot machine may be one of the major benefits. Foundation can serve as a hub or delivery system for new cashless or e-Wallet solutions from providers such as Everi or others.

It also can act as a form of dispatching, combined with a jackpot processing system. Acres 4.0 launched their "Kai" product several years ago for that purpose, and it works even better with Foundation.

One other interesting feature that may become controversial is that Foundation can determine how well a player "plays." That could be a game changer when it comes to rewarding video poker or future skill-based players. Operators have struggled for years trying to determine how to reward video poker players without losing money to highly-skilled players. Foundation can tailor bonusing to the player's ability, thus giving greater rewards to average players and less to poker pros. This is a dream come true for everyone (except the 'pros').

Even on traditional slot play, Foundation can tell if a player has unusual betting patterns, likes to play fast or slow, has long or short time-on-device, what game mechanics make them increase or decrease their bets, and so on.

Interestingly, IGT is now incorporating a video poker rating system into the latest versions of their Advantage System, but it only works with their newest games. Acres says they can also provide this feature on older pokers machines, at least those utilizing SAS 5.0 and above (that's pretty much all of them).

As mentioned above, some of these claims seem outlandish, unless you consider the source. John Acres is a bit of an "oddball" (but in a very positive and disruptive way). Perhaps a "contrarian" would be a better term. He has always done things differently

than other folks. Regardless of what you call him, gaming technology has benefitted from his genius for three decades or more. Many others agree, and that's why he was inducted into the American Gaming Association's Hall of Fame years ago.

I like to think of him much like the Nikola Tesla of the casino world. Thomas Edison was the well-known inventor of the late 19<sup>th</sup> and early 20<sup>th</sup> with his new light bulbs, phonographs and film projectors. He also stubbornly argued to use direct current (DC) to power America. Edison's former employee, Tesla (another disruptive oddball), took a minority position opposing his old boss. He advocated instead for the more advanced Alternating Current (AC). Thanks to Tesla (and his ally George Westinghouse), most of Edison's lightbulbs are lit today using 110 AC, not Edison's inferior direct current. The same applies to most electric motors today. However, if Elon Musk hadn't named his electric cars after Tesla, most folks would never have heard of Nikola.

John Acres is a lot like that. If you've only joined the gaming industry in the last decade, you may not be aware of his background. He created one of the first automated player tracking systems



with his company EDT (Electronic Data Technology). A few years later in 1985, he revolutionized progressive meters when he started another company with Mike Stone (Mike + John = Mikohn). In 1990, he launched a new player tracking/bonusing system as part of the new Acres Gaming. That was acquired by IGT and re-labeled the "Advantage System."



Some of today's legendary bonusing successes, such as Station Casino's "Jumbo Jackpots" were launched using the technology Acres pioneered. Color-changing card reader bezels, return play, automated bonusing and free play were all technologies introduced by

Acres. None of these concepts were celebrated at first, but all were quickly adopted across the industry.

Virtually every casino on the Las Vegas Strip and those across the country use variations of his marketing tools, but only a handful of operators know that he created them. Perhaps it would help if Musk named the new LV Convention Center transportation system the "Acres Tunnel."

Acres' contrarian (and humorous) side is on full display when he mentions that all of today's bonusing systems were created in the mid-90s and haven't really advanced very



much since. He likes to show visitors a 1994 Motorola cell phone (pictured) as an example of how much technology outside of the gaming world has advanced since those days.

As you might imagine, he's done pretty well financially from his inventions. When he sold Acres Gaming to IGT, he retired as a multi-millionaire. However, that lasted for about five minutes before he jumped back into the business. If you've ever spent more than a few minutes with him, you realize that he's not working today, as much as exercising his passion to see just how much he can improve gaming.

Perhaps another of his motivations is that his adult sons, James and Noah, have followed him into the industry and both seem to have inherited the same excitement for gaming and this new system.

While not all the ideas that "seem too good to be true" make it on the casino floor; with his past track record, I'd be very hesitant to bet against Foundation, or any new technology developed by John Acres.

