

October 12, 2012 6:45 pm

Technology turns the tables on punters



By Christopher Caldwell

The notice that popped on to iPhone owners' screens in late September, offering a conversion to Apple's new mobile operating system, has proved a milestone. A block of customers are asking whether iOS 6, which offers new Apple maps but doesn't support the old app for Google Maps, is actually worth downloading. That is a new question. The interests of companies and their customers sometimes diverge, and certain "improvements" benefit sellers more than buyers.

Nowhere is this truer than in the US gambling industry, on which Natasha Dow Schüll, an anthropologist at MIT, has written a timely book. Ms Schüll has spent two decades studying the boom in casino gambling: the layout of its properties, the addicts and problem gamblers who account for roughly half its revenue in some places, and the engineering that goes into its most sophisticated products. *Addiction by Design: Machine Gambling in Las Vegas* reads like a combination of Scientific American's number puzzles and the "blue book" of Alcoholics Anonymous.

To give an idea of what she means when she says "addiction by design", Ms Schüll devotes part of an early chapter to the difficulties Las Vegas paramedics have in rescuing people suffering cardiac arrest on the casino floor. Casinos frown on exposing their punters to grim thoughts, so medics usually enter through a side entrance. Casino floors are mazes, designed to lure gamblers deeper on to the floor and to thwart any momentary resolution to quit while one is ahead. Even experienced rescuers get lost. Having studied closed circuit tapes, Ms Schüll identifies a second problem: not only will fellow video-machine gamblers not help the man struggling for breath at their feet, they won't even clear out of the way to let the paramedics work.

The punters seem to be in a trance, and that trance has been induced. Ms Schüll quotes a casino chief executive who refers to slot machines as his "mousetraps". Remember that gambling ultimately offers nothing for the money it extracts from those engaged in it. Casinos have every interest in rendering play compulsive, in turning occasional players into habitual ones. Computers make this easy, which is one reason casino owners try to steer customers from table games and to screen games. In the US, fruit machines no longer have reels – they take in or pay out depending on a random number generator. But a video simulates a reel. Bars above and below the losing hand make it appear the punter has barely missed the big jackpot. Genuine reels that behaved like these simulated ones would pay out 300 per cent on bets. Highly complex Australian "pokie" machines, which show up to 100 poker hands, use multi-line displays that cause gamblers to perceive losses as wins. In some US jurisdictions, automatic teller machines are built into casino-floor consoles. Casinos can circumvent cash withdrawal limits by allowing punters to

“buy” cash with their credit cards. Pay-out schedules are manipulated to keep players at the table.

No wonder slot machines have become the casinos’ *raison d’être*. Video-era successors to the “one-armed bandits”, they account for 70 per cent of the casinos’ customers and 85 per cent of their profits, not to mention 90 per cent of the addicts at Gamblers Anonymous. They have made gambling into something different than it was even 20 years ago. Many sociologists argued then that gambling was a self-dramatisation carried out by people trying to cut a figure. It was James Bond at the roulette table. No one thinks that now. Today gambling is secretive, a vice. It is mechanical and self-obliterating. As one gambler tells Ms Schüll, “The thing people never understand is that I’m not playing to win.” You will see a bunch of old ladies in a sort of trance, “playing to extinction”, ie to the loss of all the money they came with.

Ms Schüll asks us to consider “the leading role that technology has played in the production of broad-scale insecurities”. She sees a danger that the principles of video game design have broader applications. Joseph Stiglitz argued in *The Price of Inequality* that advances in economics and behavioural psychology have improved the possibility for politicians and pundits to manipulate the public. Similar arguments can be made about who benefits when a company “goes green” and discontinues catalogues or stops sending out paper invoices. Perhaps a tree is saved in some distant rainforest, but it is the company that pockets all the savings and the customer that pays for it in the form of lost services.

It is a bit shocking when the mask of New Improved comes off and reveals the face of *Caveat Emptor*. Even the best companies can become adversaries of their customers under certain conditions. Technology is multiplying the instances when those conditions arise.

The writer is a senior editor at The Weekly Standard