ANALYSIS OF THE GAMING INDUSTRY AS A CAREER PROSPECT
IN KENYA

(A case of Casinos in Mombasa)

BY

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D53/OL/1881/02

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AUGUST 2005

Otieno, Ruby Magare
Analysis of the
gaming industry as a
DECLARATION

I, Ruby Magare Otieno, do declare that this is my original work and has not been presented for the award of a degree in any institution.

Sign _____________________________ Date ________________

Ruby Magare Otieno

D53/OL/1881/02

SUPERVISOR’S APPROVAL

This project report has been presented for examination with our approval as university supervisors.

Sign _____________________________ Date ________________

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Sign _____________________________ Date ________________

Dr. George Gongera

(Chairman, Department of Business Administration)
ACKNOWLEDGEMENT

I wish to express my appreciation to all the people who made this study possible. I wish to acknowledge my supervisors for guiding me through this work. I also want to acknowledge my family for the support, both financial and spiritual, that they gave me during my research. Not to forget my classmates and friends for their contribution to this work.
DEDICATION

Affectionately dedicated to my husband Consultant Eng. James Otieno, my children Doctor Gloria Otieno, "Captain" Timothy, Andrew, my Brother Eng. Martin. N. Okello and his lovely family who have supported me through this research endeavor.
ABSTRACT

Though shrouded in secrecy, the gaming industry makes a reasonable contribution to the economy of this country in terms of employment and generation of revenue. Gaming is a legitimate consumer pursuit that requires vigorous promotion. According to the Betting lotteries and gaming act cap 131 (1966), whose main objective is to license betting and gaming premises and advice on the imposition and recovery. The gaming industry also provides career opportunities to those who wish to pursue careers in the industry. This study was carried out to establish career prospects in the gaming industry in Kenya. The researcher studied the extent and contribution of the gaming industry to the economy of this country. The study established effective ways of conducting the gaming business to benefit both the investors, the Kenyan government with regard to tax payment, as well as employees and prospective employees. This study was confined to Mombasa district.

The researcher employed descriptive research design in the study. Questionnaires were given to government inspectors, employees and operators or proprietors of casinos in Mombasa district. Stratified random sampling method was used to draw a sample of 161 respondents from a target population of 268 people. The data collected was analyzed and presented in form of tables, graphs and charts.

The researcher concluded by making recommendations on ways of improving the performance of the gaming industry. The researcher also suggested areas for further research.

collected will be from casinos in Mombasa – the area under study, with a total work force of 268 employees. Stratified random sampling was used to obtain the sample for the study which will be the operators of the casinos, their employees and the government betting inspectors.
OPERATIONAL DEFINITION OF TERMS

i) **BETTING**: Forecasting on the outcome of the future whose results are not known

ii) **CASHLESS GAMES**: These are games played without tangible cash being used e.g. the use of smart cards and electronic fund transfer

iii) **GAMING**: To play for stake, game Vb gamble, sport stake

iv) **ROULETTE GAMES**: Gambling game using a table in which ball is dropped on to a revolving wheel with numbered compartments

v) **SPORT BETTING**: This is betting on for example horse races, football matches etc

vi) **SPECULATION**: Contemplation, intellectualized conjecture, hypothesis, scheme supposition, reasoning, reflection, theory view.

vii) **SLOT MACHINE**: Is a Gaming machine (devices) used for playing games of chance.

viii) **WAGER**: back, bett, gamble, lay, pledge, risk, stake.
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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Gambling in Kenya before 1966 was illegal. Before the enactment of the Betting, Lotteries and Gaming Act (1966) gaming was practiced in relatively small operations worldwide. With the public having negative attitudes and perceiving it as a vice, it is no wonder it was illegal. That negative opinion about gambling still holds and it remains a controversial activity.

Gambling was illegal in the early years, however, through the lobbying of various groups it was finally legalized. Commercial gambling had gone through various stages in legislation and regulation (1894 – 1960). Various attempts to legalize gambling in the U.S.A then failed. In 1928 there was the introduction of the Gaming Act in the U.K and in a 1972 referendum there was the public’s first vote to adopt legalized gambling.

Kenya borrows heavily from the British on laws governing the Casinos and has integrated these laws with the Nevada Laws. It is a replica of the United Kingdom Gaming Act of 1928. According to the Betting Lotteries and Gaming Act Cap 131 (1966), laws of Kenya, the government’s intention for legalizing gambling was to establish business that would enable it to collect tax, create employment for its citizen and to promote tourism.

A board was created in 1966 and it was meant to be a regulator of the industry. Prior to its creation, the industry was directly neglected by the police – all lotteries, casinos and betting groups had to apply for licenses from the police. The first meeting of board of members was held in 1966 under its 1st chairman the late Josiah Mwangi Kariuki at Legion House York street.
now Koinange Street. Jockey Club of Kenya in 1967 was given the responsibility of collecting betting tax on behalf of the government by the Permanent Secretary in the Ministry of Home Affairs.

Prior to the enactment of the act, there were gaming machines in different clubs countrywide. These machines were imported into the country under the East African Customs Management Act, 1952. In 1967, the board approved the licensing of Gaming machines to operate in approved premises. (Kiragu, 2000)

On the 29th December 1966, the Board under the chairmanship of the late J.M.Kariuki licensed two casinos to operate in Kenya, one in Nairobi under the ownership of Afro Italian Tourism and Entertainment. The other one was licensed under a local, the late Fred Kubai in Mombasa. They were granted permits to operate on condition that they each invested the sum of K £ 150,000 in the project and submitted a similar amount on Application.

The first board meeting enacted the following: -

1. Establishment of betting and gaming premises
2. Control of betting and gaming premises.
3. It was to provide for the imposition and recovery of betting and gaming taxes. (This was until the finance bill 2000, which gave this responsibility to the KRA)
4. Authorize lotteries and public prize competition
5. To curb illegal gambling.
According to the Gaming Act of 1966, the various gambling groups are required to use 25 percent of their income on charity, 55 percent on prizes and retain only 20 percent. (The Standard, 14\textsuperscript{th} March 2004).

In Mombasa, the first casino was opened in 1978, namely, the International Casino, followed by the Florida International and then the Inter-continental, 1991. There was also a directive for the licensing of casinos in the tourists lodges and a few more entered the market. In 1994, the market was liberalized and there was a myriad of casinos thereafter and no locals involved in the ownership nor employed top management positions.

1.2 Statement of the Problem

Since the inception of the legal framework for regulating the gaming industry in Kenya, approximately 30 casinos have been registered. The local literature seems to contain little information about the operation of this sector save for one study carried out in 2000 (Kiragu 2000). This study therefore is set out to investigate the prospects of the gaming industry in Kenya. The Gaming, conducted in casinos, was established by an Act of Parliament in 1966. Until now there are 30 casinos countrywide and 10 casinos in Mombasa. Out of these, 8 are owned by foreign investors and 2 by locals. Even though the procedure for establishing this business is open to all through the application to the Board for the gaming license, what is the Genesis of the belief that locals are unable to invest in the business. This study should show that there is a potential market that needs to be exploited and that there is need to even have Kenyans in the top management positions of the casinos to improve our knowledge and perception on casinos.
In Kenya, the casino style of gambling is a major industry. Millions have been pumped in by investors and as a result regulation of the industry is deemed significant in that lotteries and casinos are prone to abuse. It has been alleged that the Kenyan government has been issuing licenses without care. (Learmont, 1998).

“The Kenyan authorities don’t seem to be worried about over trading they’ve been issuing license like mad in Nairobi, which now has six casinos including Casino Paradise, International Casino and the Mayfair Casino, among others. On the Kenyan coast are a couple of worthwhile small casinos like on Diani Beach” (Learmont, 1998).

This study therefore seeks to examine the gaming industry as career prospect in Kenya

With particular reference to casinos.

1.3 Objectives of the study

The main objective of this study is to identify the career prospects in the Gaming Industry in Kenya.

The specific objectives of the study were;

i. To find out the major players in the Gaming Industry in Mombasa.

ii. To establish the performance in the Industry.

iii. To establish the challenges experienced in the Gaming Industry

iv. To find out how the Gaming Industry contributes to the economy.

1.4 Research Questions

1. What are the major firms in the Gaming Industry in Mombasa?
2. What are the key success factors in the industry?

3. What are the major internal and external challenges experienced in the sector?

4. How do the casinos recruit/select their employees?

5. What types of gaming methods are used to keep casinos operational?

6. What are the indicators of performance in the sector?

1.5 Significance of the Study

The study and its recommendations are important in the following ways:-

The Management of the Casinos and their employees. They will be able to understand the perception that people have on their businesses and be able to come up with ways of exposing the activities and contribution to the society.

The policy makers especially in the government will be able to consider Casino gaming as a contributing factor to the economy of this country.

It will be helpful to those who wish to make a career out of casinos i.e it will give them an insight into how the casino operate.

Competent, focused, objective research will contribute to the shaping of public policy laws and regulatory structures, that may ultimately determine the future success and acceptance of the gaming industries wherever they may be located.

Future researchers and scholars will use this study for reference when they undertake their studies.

It will contribute to the general body of knowledge
1.6 Scope of the Study

This study was confined to casinos in Mombasa district. The information gained was used to generalise the findings for the whole country since the policies in the district are applicable throughout the republic as regards the casino gaming industry. Data was collected from the operators, the player, government authorities and employees.

1.7 Limitations of the study

The following limitations were encountered in the course of the study:

1.) Casino culture is that of utmost confidentiality to avoid leaking their strengths and weaknesses to competitors and clients. It was therefore difficult to get the information from the management.

2.) Some respondents feared providing information due to the fact that on employment they are sworn to secrecy.

3.) Lack of documented information on the industry especially on the local scene is not available.

4.) Finance constraints were experienced especially where respondents misplaced questionnaires.

5.) Some of the data collection times were unfavorable i.e. from 11.00 p.m on most days as that is when the operators, dealers and Government inspectors were available.
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The literature review looked into the following areas:

Introduction, Speculation, regulatory framework, the economic contribution of the Gaming Industry, performance technology.

Definition of Gaming

Gaming means the playing of a game of chance for winning in money or moneys worth. Betting and Lotteries Act (1966).

History of the Gaming industry

Over the past 40 years, gaming was in relatively small operations with the public viewing it as a vice. It was an illegal activity. Gaming still remains controversial as an activity and attempts to bring about its expansion often encounters vociferous opposition. The U.S.A and the industrialized countries are coming to grips with the fact that it is here to stay. It has transformed itself from an appropriate “sinful” endeavor to a mainstream participatory activity through lobbying of churches, to charities, to governments, to private enterprises, to the general public so as to capture the resulting economic benefits. Kiragu (2000)

Various attempts to legalize gaming activities failed. In 1968 there was the introduction of the British Gaming Act, which was based on the premise that casino gaming should only be allowed to cater to the “unstimulated” demand for gaming. Eadington (1996) Kenya borrows a lot from the British on laws governing the casinos and has integrated it with the Nevada laws.
2.2 Speculation

Speculation is about people’s perception about gaming.

According to Kiragu, (2000), in her study on the proliferation of casinos in Kenya (2000) “Gambling is all about luck”. A person anticipates that the odds will fall favorably to his side.

She further quotes Nelson, (1993) and talks about “the high rise in gambling and terms it as "classic speculation". He says it is universally accepted that in the 1990’s everyone including the government can get rich quick. All you need to do is grab a bit of the action, own operate, or tax some form of legal gambling and you will have an endless source of instant unlimited wealth”

He relates this speculation to the crash of the stock market in 1929, when it crashed and wiped all shares to a deal on the Tokyo stock exchange worth billions and billions of dollars. Nelson, (1993) also relates it to the Dutch tulip markets in 1630’s where futures were created, termed “trading in the wind” where speculators paid enormous sums for contracts for future deliveries, hoping to sell them for greater profits.

Investing in casino business is lucrative, Nelson. (1993) goes on to say “fortunes can be made through such wild speculation”. The dream of instant unending riches to both the operator and the gambler is real and nothing compared to the percentage growth of lotteries, casinos and other forms of gambling all over the world. Kenyans view the industry with a lot of suspicion and mistrust. Gambling is viewed as a form of indulgence by the well to do in a society. (Daily Nation, September 2000)
According to Nigel (1996), a casino consultant in the Journal World Casino Industry Review, “It is interesting to speculate on the long term future of casino gambling” He goes further to say “If there are any clouds on the horizon of the industry they must relate to the impact of casinos on some individuals who cannot control their gambling. Nigel (1996) believes that the casino industry needs to understand criticisms and react to them in a positive and informed manner so that we can ensure that a healthy profitable and expanding industry is there to stay.

2.3 Regulatory framework

Regulations are rarely viewed by the regulated as a good thing. The Gaming Board of Nevada, United States had three workshops in August 2002, which were attended by our very own Kenya Betting Board Representatives and the officials from the Casinos and heads of engineering from the slot manufacturers. The regulatory changes, which were proposed, were designed to assure sound internal control and external reporting of finances going in and out of the casinos via any number of cashless wagering systems.

According to Greg Gale, Chief Auditor of the Nevada Gaming control board, the new standards will provide a consistent across the board system for audit and control on Gaming.

One reason for these new standards is that there is so much information in transactions that are flowing into these gaming rooms, it is becoming very challenging to audit casino revenue.

Kiragu (2000)

The regulatory bodies governing and controlling the operations of the casinos play a major role in the growth and urbanization of the casino industries. They are the government representatives who issue the licenses, control the casino operations, oversee the gaming to ensure there is no
cheating and the games permitted are specified in the permit by the government but are generally those requested by the operator.

In Kenya the regulatory board governing the casinos is the Betting Control and Licensing Board (BCLB). It was formed in 1960 after the enactment of the constitution which tabled a bill on the betting lotteries and gaming and does not specifically touch on the issues concerned with casino per se, but following the 1968 gaming act in the UK, the casinos are governed by this act. The board here in Kenya has come up with a regulation for the gambling taking place in the casinos.

The Betting Control and Licensing Board is the regulatory body and is the one that handles the licensing of casinos. It assesses the applicants and makes sure that they comply with the mandatory requirements needed to operate a casino. It is necessary to have financially stable and respectable casinos, which will carry out clear operations. One may cite the following reasons why Las Vegas has proved so successful for the continued growth of the Las Vegas and other casino centers in Nevada have been the underlying philosophy with which government bodies have regulated Nevada casinos. The principles by which regulators have foreseen the casino industry are relatively narrow. The purpose of regulation of casino by ensuring the integrity of the accounting procedures used by the casinos to issue the state its appropriate share, monitoring the honesty of the games and wagering opportunities offered so that the public can be confident for protection against cheating. Protecting the integrity of casino owners and key employees by rejecting undesirables from obtaining gaming licenses.
The government needs to come out and fully support and encourage the growth of the gaming industry. The ability and integrity of the board will now be put to test. Cases of like when no clear records were available when the Kenya charity sweepstake changed hands.

"While it is clear that Kenya Charity Sweepstakes was acquired by the government from the Jockey Club of Kenya, the board cannot explain how the same ceased to be a government body to become a private organization and industry players". (The Standard of Monday 14th March 2005).

This issue of course will raise questions on the board’s ability to stand up to political manipulation. It appears that at one time, there was only a thin divide between KCS into which top government officials in the previous governments had rested interest and the board.

The Minister in charge of local government appoints board members, in this case the Vice President, Honorable Moody Awori. The last team was appointed in February 2004. Vetting of those applying for licensing should be done without any form of discrimination. It should be ensured that it is friendly to the common man who is interested in investing in the business. The social and economic implication that the licensing process carries with it.

The impact of the industry’s product upon the society. According to Professor Nelson Rose, casinos can hurt a small but significant number of local citizens and they the local casinos need a major population center for them to make money and to exist for a thousand years. Kiragu (2000)
“Environmentalist – cum hotelier Godfrey Karume warned that, although there was nothing wrong with allowing new investments, casinos were not the best means of promoting business because they encourage money laundering, cheating and corruption.

Mr. Karume said the number of casinos was controlled even in the worlds most developed cities. He added that there was an increasing number of Italian investors, pensioners and local residents whose savings had been destroyed by gambling” (Daily Nation September 21, 2000).

2.4 The Economic Contribution of the Gaming Industry

Casinos are required to fill returns weekly or daily to the betting control and licensing board. Gambling is a viable business venture that should not be ignored but exploited. Gambling is here to stay. It should be considered as an opportunity. Reading ton, (1993) says “the rush over the recent years to exploit the opportunities associated with gambling have led to a continuing variety of experiments with legalizing and regulation of gaming”.

Gideon Mungaro the then Mayor of Malindi stated that, apart from boosting the councils revenue, the casinos also offered employment opportunities. They should be viewed as a positive contribution to the economy. (Daily Nation Thursday, September 21, 2000).

Investments in Gaming by locals have been realized in countries like South Africa, where Tsogo Sun – a partnership between Southern Sun and Tsogo Investments through the $1.4 million Monte Casino project. Each of the partners holds a 50% interest in Tsogo Sun. Tsogo investments is a broad based black empowerment focused group whose shareholding will benefit organized black business and labor movements together with women groups business, interests
and individual black promoters. Southern Sun Gaming, which owns the remaining 50% interest in Tsogo Sun, is a wholly owned subsidiary of the Southern Sun group and will be able to draw on its vast experience and know-how in gaming. (The Magazine for Africa Gaming Industry, 1998).

2.4.1 Components of Gaming

The gaming industry is divided into 3 categories

(i) Betting -Which comprises the bookmakers and poor betting

(ii) Lotteries -Which for a long time has been dominated by the Kenya Charity sweepstake

(iii) Casinos -Which has the highest number of players

The four operational models for casinos are:

- Owned, managed and operated by the government.
- Owned and regulated by the government but operated by the private sector.
- Jointly owned (government and private sector) business and the physical plant, but operated by the private sector within government regulatory controls, and
- Owned, managed and operated by the private sector but regulated by the government

Hybrid models have emerged. Ontario Canada approved a model whereby the government owns and controls the casino but appoints a private sector operator for the day to day operations. (World Casino Industry Review, 1996).
The casino industries have experienced tremendous growth in Mombasa district, from one in the early 60s to the current 10. It has come with both positive and negative effects. Casino business is a major industry. Casinos have been legalized in the hope of stimulating local and regional economies and revitalizing the tourism industry. Casinos in Kenya were initially a tourist model. They were installed in hotels though some have now broken away from this kind of set-up. A casino situated in a hotel has strong security since they rely on the tourists who are usually customers from the hotel.

There are a variety of games operated in a casino, they are either electronic or live games namely, roulette, blackjack, poker, pontoon, shot machines. Some casinos have additional games like baccarat, bingo craps. Most of the equipment is imported and costly but second hand ones are available.

The remarks by the Betting Control and Licensing Board staff in 2001, found out that the number of machines has grown since 1990's due to the growth and refurbished slot machines. Besides there are few video poker machines in the market, little is understood by the regulatory authority and players, thus making their operations difficult in the domestic market.

According to Greg Dale, (2002), the chief auditor of the Nevada Gaming Control Board, the new standards will provide a consistent across the board system for audit and control of gaming. One reason for these new standards is that there is too much information in transactions that are flowing into these gaming rooms and it is becoming very challenging to audit casino revenue, as the business itself is enshrouded in secrecy.
On the whole it can be seen that casinos have been on the increase in Kenya, and Mombasa in particular. This portrays a booming industry, one that has good prospects and is expanding and contributing to the economic grown and development of this country.

Gambling has been part of our daily lives through sports. Betting enters our homes through the living room via the TV and we wager as to which football team is going to win. We so enthusiastically take part in prize competitions when companies promote their products by luring customers with mouth watering and irresistible give aways for purchase made of these products. (Kiragu, 2000)

2.5 Performance

One can analyze Casino games and gaming devices as economic goods by examining their ability to generate revenues for the operator over time. Measures such as “win per unit per day” or “win per station per day” have become part of the language of analysts and casino controllers.

Furthermore Casino patrons can be evaluated in terms of their theoretical loss or player worth. The amount of revenue an operation can be expected to win for a customer under specific playing circumstances. Games and gaming devices can be categorized as commodities whose price and quantity dimensions are the house advantage (expected win divided by handle) and volume of wagers (handle) respectively.

This provides a useful framework to examine both traditional casino games, wagers and innovations that have been introduced or attempted in casinos in recent years. Eadington (1996)
In Kenya lotteries is regarded as the healthiest single investor. The Kenya charity sweepstake collects as much as 7 million a week on average and it is where the battle for control of the market by political groups is most intense. The annual turnover for the casino industry is of course higher at shillings 3.2 billion, but the investors are far too many as compared to the lotteries.

The betting category, with its average weekly income of shillings 10 million also has a number of investors which means in the final analysis it still rates lower than lotteries in terms of lucrative business for a single investor. (Standard Monday 14th March 2005)

Ngugi Wa Mbugua (1994) a news editor predicted a proliferation of casinos in Kenya after doing a survey and coming up with a report on casinos here in Kenya and the contributions to the government and issuance of licenses. Although the report is not so detailed he found out that the government had earned the following from the casinos from 1990 to 1994

<table>
<thead>
<tr>
<th>Year</th>
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<td>1990</td>
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<td>1991</td>
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<td>1992</td>
<td>50 Million</td>
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<td>1993</td>
<td>150 Million</td>
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<tr>
<td>1994</td>
<td>140 Million</td>
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In 2000 during the opening ceremony of the BCLB seminar, Hon Katana Ngala the Minister for Home Affairs, Cultural and Social Services stated that casinos were currently earning the government shs 200 million in revenue. (Kiragu 2000)

2.6 Technology

All around the world, gaming is becoming increasingly sophisticated. New technology is not the only force transforming the industry. Changes are being driven by; the continued expansion of gaming jurisdictions; Improvements in hardware and software design; the development of new improved games; the use of new operating and marketing techniques. Ron Reiland (1996)

According to a research done by Tom Reilly of Global Gaming Business, Professional Journal November 1st 2002, new technologies, regulatory changes and enthusiastic operator all signal revolution in the coin free slot play” cashless” play revolution is definitely in the horizon for a long time, it was not how quickly the market moves to cashless but on how fast it could be introduced to the players.

What could be worrying is whether Kenyan casinos have the necessary technology to adjust to the trend of business.

According to the global Business journal, December 2002, many operators complain that the newest slot machines have a short life span. Research by Catherine Harris corporate President of Game development at Harrah’s entertainment in Las Vegas a slot machine must have a life span of five years.

“ln every jurisdiction that allows them, slot machines are the world’s pre-eminent form of Casino Gaming. Slots have proven only legislation can inhibit their domination of the casino industry.
Slot machines are none threatening, non-discriminatory, require little staff and maintenance and guarantee a percentage win each night. Slot machines are non-threatening, non-discriminatory, require little staff and maintenance and guarantee a percentage win every night. Slot machine jackpots even challenge national lotteries for the prizes, with progressive dwarfing of the weekly lotto draws.

In the mind of casino players, table games may be the quintessential components of the casino, but it's the slot machines that are now the backbone”. (Intergaming October 2001)

There are cases in Kenya where some slot machines operate beyond twenty years occasioning high maintenance costs and the unreliability of the equipment.

The slot machine industry has undergone tremendous development since the enactment of the Betting Lotteries and Gaming Act Cap 131 1966. Before the enactment, the machines were unlicensed. In the local scenario, the Gaming industry slot machine development is influenced by what is happening in the United States and Europe. Gaming equipment is imported from Europe.

The research done by the Betting Control and Licensing Board in 2001, found out that the number of machines has grown due to the growth of used and refurbished slot machines.

Besides the few video poker machines in the market, little is understood by the regulatory authority and players thus making their operations difficult in the domestic market.

One thing that must be noted is that having many machines does not necessarily mean having a large number of employees as these can be manned by two or three employee, the more the tables a casino has and operates the larger the outfit because each table is manned by not less than three people. The more the tables one operates implies that the attendance of gamblers is good.

Slot machine coins costs Kshs 5.00 in most casinos. The table minimums is kshs 20.00.
In the late 80s Government directives have affected casino trends. This report in the Nation 27th November 1994 states that a presidential directive in 1989 ordering that all gambling in Kenya be carried out in foreign currency. The result of this directive was a low turnout at the gambling houses, with some companies laying off scores of employees due to poor returns.

New gaming strategies have been introduced which have claimed that the main purpose of the gaming industry is to promote tourism development. These include

- Casino entertainment complexes offering a range of casino entertainment and tourist services
- Casinos in tourist resorts which complement other tourist services
- Casinos in bigger cities which compliment other entertainment services for locals and visitors. (Intergaming volume 7 – 2001)
2.7 Conceptual Framework

Figure 2.7

Operators professional Knowledge in gaming

Status of the economy

Technology

Performance

BCLB

Perception and speculation

Investment in Casino Industry Creating more career prospects

Government policy on general investment

Dependent Variables

Independent Variables

Intervening Variables

Source: Researcher: (2000)
CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Research Design

The design to be adopted for this study was mostly exploratory since the researcher went to the field to collect primary data and explore the issue under investigation. The researcher also adopted a descriptive research design since there are published materials and information on the topic under study.

3.2 Target Population

The target population for this study was the 10 casinos in Mombasa. The identification of the casinos was obtained from the Betting Control and Licensing Board, Nairobi which falls under the Ministry of Home Affairs. The choice of population was based on the fact that Mombasa is the hub of tourism in the region and has many tourists who enjoy gaming. The researcher targeted the employees, Proprietors and government inspectors. The target population was 268 subjects as shown on table below.

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>Target Population</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner/Operator</td>
<td>10</td>
<td>4%</td>
</tr>
<tr>
<td>Employees</td>
<td>235</td>
<td>87%</td>
</tr>
<tr>
<td>Government Inspectors</td>
<td>23</td>
<td>9%</td>
</tr>
<tr>
<td>Total</td>
<td>268</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Researcher, (2005)
3.3 Sample Design

Stratified random sampling with a ratio of 0.6 or 60% of the total population was used in selecting the respondents that is the proprietor, the employees and the government officials. This technique has least bias and offers the most generalizability. There are 10 Casinos in Mombasa.

The sample size was as follows:

Table 3.3: The study sample

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>Target Population</th>
<th>Ratio</th>
<th>Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner/Operator</td>
<td>10</td>
<td>0.6</td>
<td>6.0</td>
</tr>
<tr>
<td>Employees</td>
<td>235</td>
<td>0.6</td>
<td>141.0</td>
</tr>
<tr>
<td>Government Inspectors</td>
<td>23</td>
<td>0.6</td>
<td>14.0</td>
</tr>
<tr>
<td>Total</td>
<td>268</td>
<td></td>
<td>161</td>
</tr>
</tbody>
</table>

Source: Researcher, (2005)

3.4 Data Collection and Instrumentation

Data for this study was collected by the use of questionnaires and some interviews. The questionnaires contained mostly closed-ended questions and with a few some open-ended questions. These were supplemented with observation.

This enabled the researcher to recognize and record the behavior of the people, objects and events of gaming.

3.5 Data Analysis

The data for this study was analyzed using measures of central tendencies that is, mean mode and median. This data was then processed by the Statistical Package for Social Sciences and Ms-Excel Package then it was presented in charts, tables, graphs and cross tabulations.
CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

4.0 Introduction

Out of a target population of 268, the researcher interviewed 161 respondents. All the respondents except 4 returned the questionnaires (3 employees, 1 operator) representing a response rate of 97.51% as shown in Table 1.

Table 1 Overview of data collected.

<table>
<thead>
<tr>
<th>Population characteristics (Category of respondents)</th>
<th>Sample (t)</th>
<th>Returned questionnaires (r)</th>
<th>Non-Response Error (t-r)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>141.0</td>
<td>138</td>
<td>3</td>
</tr>
<tr>
<td>Government Inspectors</td>
<td>14.0</td>
<td>13</td>
<td>1</td>
</tr>
<tr>
<td>Owners/Operators</td>
<td>6</td>
<td>6</td>
<td>0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>161</td>
<td>157</td>
<td>t-r=4</td>
</tr>
</tbody>
</table>

t = Sample  
r = Returned Questionnaires  
t - r = Non-Response Error (2.49%)  
Source: Research

This high response rate can be explained by the fact that the researcher went personally to the casinos and interacted freely with the employees, operators and government inspectors. The
results of the data collected are presented and analyzed under the following three categories:-
employees, government inspectors and owners/operators.

4.1 GOVERNMENT INSPECTORS

A set of questionnaires were directed to government inspectors. A total of thirteen such inspectors were studied.

4.1.1 Age of respondents

Table 2

<table>
<thead>
<tr>
<th>Age (Years)</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>26-35</td>
<td>5</td>
<td>38.5</td>
<td>38.5</td>
<td>38.5</td>
</tr>
<tr>
<td>36-45</td>
<td>4</td>
<td>30.8</td>
<td>30.8</td>
<td>69.2</td>
</tr>
<tr>
<td>46-55</td>
<td>4</td>
<td>30.8</td>
<td>30.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>13</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Figure 1

Age (Years)
The thirteen respondents were of various age brackets, with 38.5% of them aged between 26-35 years, 30.8% were aged between 36-45 years and another 30.8% of them were aged between 46-55 years.

### 4.1.2 Academic qualifications

#### Table 3

<table>
<thead>
<tr>
<th>Academic Qualifications</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid Certificate Course</td>
<td>2</td>
<td>15.4</td>
<td>15.4</td>
<td>15.4</td>
</tr>
<tr>
<td>Diploma</td>
<td>3</td>
<td>23.1</td>
<td>23.1</td>
<td>38.5</td>
</tr>
<tr>
<td>Bachelors Degree</td>
<td>5</td>
<td>38.5</td>
<td>38.5</td>
<td>76.9</td>
</tr>
<tr>
<td>Any Other</td>
<td>3</td>
<td>23.1</td>
<td>23.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>13</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

**Figure 2**

![Academic Qualifications Graph](image)
The respondents had qualifications ranging from certificate to degree levels, with 15.4% of them being certificate holders. 23.1% were diploma holders and 38.5% of them were degree holders. 23.1% of them however cited other qualifications. This reveals that a big percentage of the government inspectors are not highly educated hence the ineffectiveness and inefficiency with which they perform their duties.

4.1.3 Number of years worked for the Betting Control Board

Table 4

<table>
<thead>
<tr>
<th>Number of Years Worked in for the Betting Control Board</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
</tr>
<tr>
<td>1-2</td>
</tr>
<tr>
<td>3-5</td>
</tr>
<tr>
<td>6-10</td>
</tr>
<tr>
<td>over 10</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Figure 3

Number of Years worked in for the Betting Control Board

![Bar chart showing the number of years worked for the Betting Control Board.

Legend:
- Series1

No. of years

Less than 1 | 1 to 2 | 3 to 5 | 6 to 10 | Over 10
---|---|---|---|---
Valid Percent
---|---|---|---|---
Less than 1 | 15 | 20 | 25 | 30
1 to 2 | 20 | 25 | 30 | 35
3 to 5 | 25 | 30 | 35 | 40
6 to 10 | 30 | 35 | 40 | 45
Over 10 | 35 | 40 | 45 | 50

Cumulative Percent
---|---|---|---|
Less than 1 | 15 | 15 | 15
1 to 2 | 40 | 40 | 40
3 to 5 | 65 | 65 | 65
6 to 10 | 90 | 90 | 90
Over 10 | 100 | 100 | 100

Total 100 | 100 | 100 | 100 | 100
When they were asked about the experience at the Betting Control Board, 15.4% of the respondents said they had worked for the Betting Control Board for less than one year, 23.1% of them had worked for between 1-2 years, another 23.1% said 3-5 years. 15.4% of them said they had worked for between 6-10 years while 23.1% had worked for over 10 years. The results show that many of the respondents had a lot of experience at the Betting Control Board.

4.1.4 Gender of the respondents

Table 5

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Male</td>
<td>11</td>
<td>84.6</td>
<td>84.6</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>2</td>
<td>15.4</td>
<td>15.4</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>13</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

A big percentage of the respondents (84.6%) were males while only 15.4% were females. This shows that the inspectors are male since they inspect the casinos at night which may be difficult for women due to societal and cultural attitudes towards the casinos as well as family commitments.
4.1.5 Percent taxes to the economy

Table 6 Tax Percentage

What Percentage, in the Form of Taxes does the Casino Industry Contribute to the Economy of this country

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>1-10%</td>
<td>4</td>
<td>30.8</td>
<td>30.8</td>
</tr>
<tr>
<td></td>
<td>11-20%</td>
<td>3</td>
<td>23.1</td>
<td>53.8</td>
</tr>
<tr>
<td></td>
<td>21-30%</td>
<td>6</td>
<td>46.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>13</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Figure 4. Tax Percentage

What Percentage, in the Form of Taxes does Casino Industry Contribute to the Economy of the this country

As shown in the table and figure above, up to 46.2% of the respondents said the casino industry contributes between 21-30% to the economy of this country. 30.8% and 23.1% of them however, said the industry contributes between 1-10% and between 11-20% to the economy respectively. This reveals that the gaming industry contributes a lot for the economic improvement of the country.
4.2 OWNER/OPERATOR

A separate set of questionnaires was given to the operators/owners (proprietors) of the casinos. A total of six such proprietors responded positively.

4.2.1 Age of respondents

Table 7: Age

<table>
<thead>
<tr>
<th>Your age (years)</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid 36-50</td>
<td>3</td>
<td>50.0</td>
<td>50.0</td>
<td>50.0</td>
</tr>
<tr>
<td>51-65</td>
<td>3</td>
<td>50.0</td>
<td>50.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>6</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

The respondents’ ages ranged from 36-65 years. 50.0% of them were aged between 36-50 years while the other 50.0% were aged between 51-65 years.

4.2.2 Citizenship

Table 8

<table>
<thead>
<tr>
<th>Citizenship</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid Kenyan</td>
<td>3</td>
<td>50.0</td>
<td>50.0</td>
<td>50.0</td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
<td>50.0</td>
<td>50.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>6</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

when the respondents were asked about their citizenship, 50.0% of the respondents said they were Kenyans, the other 50.0% said they belonged to other countries. This shows that half of the casinos are owned by Kenyans while the other half by foreigners. This is an indication that Kenyans have started embracing the gambling industry and accepted it as a good career provider.
4.2.3 Gender

Table 9  Gender

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>0.5</td>
<td>83.33</td>
<td>50.0</td>
<td>50.0</td>
</tr>
<tr>
<td>Female</td>
<td>1</td>
<td>16.67</td>
<td>50.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>6</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

The results from table 9 show that 83.33% of the respondents were men while a paltry 16.67% were women. This shows that most casinos are owned and run by men.

4.2.4 Qualifications

Table 10: Level of Education

Indicate your Highest Qualifications

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>O Level</td>
<td>1</td>
<td>16.7</td>
<td>16.7</td>
<td>16.7</td>
</tr>
<tr>
<td>College Degree</td>
<td>2</td>
<td>33.3</td>
<td>33.3</td>
<td>50.0</td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
<td>50.0</td>
<td>50.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>6</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

The table is further expressed in the histogram below.
When the operators/ owners of the casinos were asked about their highest qualifications, 16.7% of the respondents said they had O-level education, 33.3% of them had degree level and 50.0% had gained experience on the job. This shows a moderately educated group. This explains the relative success in running casinos.

4.2.5 Duration of business

Table 11. Experience

<table>
<thead>
<tr>
<th>How many Years have you owned or operated such a business?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency</td>
</tr>
<tr>
<td>-----------</td>
</tr>
<tr>
<td>Valid</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>
As much as 50.0 % of the respondents said they had operated their gaming business for over 10 years, 33.3 % of them had operated the business for only 1-2 years while 16.7 % for between 3-5 years. This shows that the casino business has been in operation in Mombasa for a long time since most of them were established over ten years ago.

4.2.6 Employment status

Table 12 Employment status of Employees

<table>
<thead>
<tr>
<th>What is the current Employment Status of your Employees?</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Part Time</td>
<td>3</td>
<td>50.0</td>
<td>50.0</td>
<td>50.0</td>
</tr>
<tr>
<td>Full Time</td>
<td>3</td>
<td>50.0</td>
<td>50.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>6</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
Whereas 50.0% of the respondents said their employees were part-time, the other 50.0% said their employees were on full time basis. This could be because the casinos operate at night and therefore the need to have some part time employees.

4.2.7 Present work shifts in the establishment

Table 13 Work shifts in the establishment.

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>One</td>
<td>5</td>
<td>83.33</td>
<td>83.33</td>
</tr>
<tr>
<td>Two</td>
<td>1</td>
<td>16.6</td>
<td>16.6</td>
</tr>
<tr>
<td>Total</td>
<td>6</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>
Whereas 83.3% of the respondents said they had one work shift, the other 16.6% said they had two work shifts in their establishments. This means that the working shifts varied in respective casinos. Some worked from 12:00 p.m to 9:00 p.m then another group came in from 9:00 p.m to 5:00 p.m (16.6%). The casinos with one shift, employees worked from 6:00 to 3:00 p.m.

4.3 EMPLOYEES

A different set of questionnaires was given to the employees of the casinos. Up to 138 employees who were questioned responded positively.

4.3.1 Age of respondents

Table 14 Age

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>20-35</td>
<td>71</td>
<td>51.4</td>
<td>51.4</td>
</tr>
<tr>
<td></td>
<td>36-50</td>
<td>67</td>
<td>48.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>138</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>
When the employees were asked about their age, 51.4% of the respondents fell between the range of 20-35 years while 48.6% fell between the range of 36-50 years. This shows that on average, the casino employees are mature people. This could explain their success in operating the business. The nature of the works shifts operating in the sector with much of the work taking place at night seems to account for this trend.
### 4.3.2 Academic qualifications

#### Table 15. Level of Education

<table>
<thead>
<tr>
<th>Academic Qualifications (Highest)</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid Certificate Course</td>
<td>52</td>
<td>37.7</td>
<td>37.7</td>
<td>37.7</td>
</tr>
<tr>
<td>Diploma</td>
<td>57</td>
<td>41.3</td>
<td>41.3</td>
<td>79.0</td>
</tr>
<tr>
<td>Bachelors Degree</td>
<td>29</td>
<td>21.0</td>
<td>21.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>138</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

**Figure 10 Level of Education**

Concerning their level of education (academic qualifications) 37.7 % of the respondents said they were certificate holders, 41.3 % were Diploma holders. Only 21.0 % of them were Degree holders. This is a moderately educated group of employees. This reveals that in casino business, higher education is not a very significant factor when selecting employees.
43.3 Gender of respondents

Table 16

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>58</td>
<td>42.0</td>
<td>42.0</td>
<td>42.0</td>
</tr>
<tr>
<td>Female</td>
<td>80</td>
<td>58.0</td>
<td>58.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>138</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Figure 11. Gender

Out of the 138 respondents, 42.0% were males whereas the other 58.0% were females. The higher number of female employees can be attributed to the fact that most casino clients are men who prefer being served by ladies.
4.3.4 Employment status

Table 17.

<table>
<thead>
<tr>
<th>Employment Status</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid Part Time</td>
<td>68</td>
<td>49.3</td>
<td>49.3</td>
<td>49.3</td>
</tr>
<tr>
<td>Full Time</td>
<td>70</td>
<td>50.7</td>
<td>50.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>138</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Whereas 49.3% of the respondents were part-time employees, 50.7% of them were employed on a full-time basis. This shows that career prospects for those who prefer part-time employment as well as those who prefer full-time employment are well balanced.

4.3.5 Work shifts

Table 18.

<table>
<thead>
<tr>
<th>Work Shift</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid First</td>
<td>61</td>
<td>44.2</td>
<td>44.2</td>
<td>44.2</td>
</tr>
<tr>
<td>Second</td>
<td>37</td>
<td>26.8</td>
<td>26.8</td>
<td>71.0</td>
</tr>
<tr>
<td>Other</td>
<td>40</td>
<td>29.0</td>
<td>29.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>138</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
While 44.2% of the respondents said they work in the first shift, 26.8% work in the second shift, and 29.0% worked in other shifts. The respective casinos have different numbers of work shifts. Majority has one.

### 4.3.6 Experience

**Table 19**

<table>
<thead>
<tr>
<th>How Many Years have you Worked in this Establishment?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Frequency</strong></td>
</tr>
<tr>
<td>---------------</td>
</tr>
<tr>
<td>Valid 1-5</td>
</tr>
<tr>
<td>6-10</td>
</tr>
<tr>
<td>11-15</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>
When the employees were asked about the length of service in the establishment, 31.2% said they had worked in their establishments for just between 1 – 5 years, the others had worked for longer periods with 37.7 % of them having worked for between 6 – 10 years and 31.2 % for between 11 – 15 years. This shows that most of the employees had a lot of experience in the casino industry. This also reveals some great degree of permanency in casino jobs.

4.3.7 Performance of gaming

Table. 20

<table>
<thead>
<tr>
<th>What is the Performance of Gaming in Your Establishment?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency</td>
</tr>
<tr>
<td>-----------</td>
</tr>
<tr>
<td>Valid</td>
</tr>
<tr>
<td>Excellent</td>
</tr>
<tr>
<td>Very Good</td>
</tr>
<tr>
<td>Good</td>
</tr>
<tr>
<td>Fair</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>
When the employees were asked about the performance of their establishments, 29% rated their performance of the gaming in their establishments as excellent. 13.8% said it was good, 26.8% said it was good while 30.45% said it was fair. The results show the gaming business is generally doing well in Mombasa. The respondents rated the performance of the gaming in their establishments as excellent.

### 4.3.8 Regulation of Casinos by Government

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Yes</td>
<td>100</td>
<td>79.7</td>
<td>79.7</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>28</td>
<td>20.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>138</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Asked whether the government inspectors visited the casinos to inspect them, 79.7% of the respondents said yes, while 20.2% said no. Those who denied explained that the government inspectors visited the casinos once in a while but were of no assistance. The findings indicate
that this is a capital intensive industry and the government has a keen interest in it. This shows that the regulations of casinos still has loopholes which need to be sealed.

Table 22. Frequency of visits

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily</td>
<td>90</td>
<td>65.2</td>
<td>65.2</td>
<td>65.2</td>
</tr>
<tr>
<td>Weekly</td>
<td>35</td>
<td>25</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>Monthly</td>
<td>13</td>
<td>9.4</td>
<td>9.4</td>
<td>9.4</td>
</tr>
<tr>
<td>Total</td>
<td>138</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Still on the inspection of casinos, those who agreed that government inspectors regularly visited their casinos further explained the frequency of visits. 65.2% said the inspectors came daily, 18.1% said the inspectors came weekly, while 9.4% said the inspectors visited them on a monthly basis.
CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter summarizes the major findings of the study. It also presents the conclusions drawn from the results and gives the recommendations by the researcher. At the end, the researcher gives suggestions for areas of further research.

5.1 SUMMARY

Basing on the data presented in chapter 4, the researcher summarized the findings under the headings below.

5.1.1 Government Inspectors

The results show that most of the government inspectors are not highly educated i.e. majority are either certificate or diploma holders.

The researcher also found out that most of the government inspectors do not visit the casinos regularly to inspect them.

Majority of the inspectors are men with a smaller percentage of women. The results also revealed that casinos contribute very little amount of money to the national economy in the form of taxes. This is mainly due to the fact that the casino operations are not properly regulated.

5.1.2 Proprietors

The results show that a bigger percentage of the proprietors are not Kenyans by origin. They are mostly Koreans, Italians, British and Asians.
On average most of the proprietors are well educated. This is coupled with many years of experience in the gaming industry.

The results also show that most of the proprietors are well educated. This is coupled with many years of experience in the gaming industry.

The results also show that most of the proprietors prefer employing workers on part-time basis. This can be explained by the fact that most employees are required to operate in shifts.

5.1.3 Employees

The results reveal that most of the employees are not highly educated. A bigger percentage are either certificate or diploma holders.

The researcher also found out that the jobs at the casinos are very exciting. This is due to the variety of clients who visit the casinos.

It was also found that the employees are only trained on the job. They are not taken out for further training.

Most of the employees said they are faced with various challenges some of which include long shifts of work and having to deal with clients who are drug addicts.

5.2 CONCLUSIONS

From the results the researcher concluded that the casino staff is poorly trained in the relevant field or area.

The researcher also concluded that the casino staff is poorly remunerated and also faces various challenges in the course of their duties.
It is also concluded that the government get very little contribution from the casinos in form of taxes due to loopholes in their regulation system. Most of the government inspectors are not well-trained. This further explains why the government is losing a lot of revenue in form of taxes.

### 5.3 RECOMMENDATIONS

From the findings and conclusions the researcher would like to make the following recommendations.

Firstly, the government should consider sending some of the casino inspectors for further training in the field of gaming industry. The University of Nevada for instance, provides training on gaming management at various levels including certificate, diploma and degree levels. This may be realized if the government undertakes to reintroduce training levies at the casinos.

Secondly, the institutions of higher learning should introduce relevant courses in the gaming industry in order to provide opportunities for casino employees as well prospective employees to pursue further education in the field.

The government should review its policies, which hinder the growth of the gaming industry. This will improve the performance of the industry and create more career opportunities.

The government should also encourage locals to invest in the casino business as it not only generates revenue for the government but also creates employment and generates huge profits for the owners.
The government should also intervene in cases where casino operators force their employees to work for longer hours than usual.

Every casino operator must develop a Management Control System (M.C.S) in his or her own IT environment. The Management Control system (M.C.S) will enable him to accumulate gaming equipment data. This could be done by the Betting & Licensing Control Board having direct or remote access to the Management Control System (M.C.S) data base or by the relevant Management Control System (M.C.S) data being electronically "exported" to a central Betting & licensing data base. This system will enable the government to collect revenue from every win of different games; however it requires that the government inspectors must have detailed knowledge of the Management control system (M.C.S) system.
Lastly the government should encourage the casino operators to improve the remuneration for the workers.

5.4 SUGGESTED AREAS FOR FURTHER RESEARCH

The researcher suggests that a study should be carried out on the challenges facing investors in the gaming industry.

Another study should be carried out to identify the factors that lead to government’s loss of revenue in the gaming industry.

Researchers should also consider studying the training needs of workers in the gaming industry.
REFERENCE

Betting Lotteries and Gaming Act 1966, Cap 131.

Clegg Phil - Inter Gaming Nov. 1998.

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Clegg Phil - Intergaming Vol. 9 issue 3

Clegg Phil - Intergaming Vol. 7 issue 7


Lemon Kent Nigel (1996) - World Casino Review


Melling Roger - Casino World, Jan 2005.


Rose Nelson Prof. - 1993 *gambling will be outlawed in forty years* pg. (65-75)

The Gaming Act of 1968: *Quoted from the regulatory requirements and legalized casino gaming in New Jersey.*

COVER LETTER

Ruby Otieno
P.O. Box 97104
Mombasa.

Dear respondent,

RE: REQUEST TO RESPOND TO QUESTIONS

This is to inform you that I am a student at Kenyatta University pursuing an MBA course. As part of the course requirement, I am expected to carry out a research on a topic of my choice, which is "The Gaming Industry as a Career Prospect in Kenya: A Case of Casinos in Mombasa".

The purpose of this letter is to kindly request for your assistance and co-operation in responding to the questions attached herewith. You are further informed that any information given will be treated with utmost confidentiality and will be used only for the purpose of this study.

Looking forward to your co-operation

Yours faithfully,

Ruby Otieno
QUESTIONNAIRE FOR OWNERS/OPERATORS

SECTION 1

1. Position in the Casino

2. Your age (years) (tick)
   a. Under 20
   b. 20 – 35
   c. 36 – 50
   d. 51 – 65
   e. Over 65

3. Citizenship (tick)
   a) Kenyan
   b) Asian
   c) British
   d) American
   e) Other (Specify)

4. Gender (tick)
   a) Male
   b) Female
5. Religion (tick)
   a) Hindu
   b) Muslim
   c) Protestant
   d) Catholic
   e) Other (specify) ..............................................

6. Academic Qualifications (highest) (tick)
   a) Primary certificate
   b) O level
   c) A level
   d) College degree
   e) Other (specify) ..............................................

7. Number of years worked / owned the establishment (tick)
   1. Less than one
   2. 1 – 2
   3. 3 – 5
   4. 6 – 10
   5. Over 10

8. Job status (tick)
   1. Top Management
   2. Middle level
   3. First level
   4. Non Managerial
9. Employment status

1. Part Time

2. Full Time

10. Present Work shifts in your establishment?

1. One

2. Two

3. Three

11. How many employees do you have?

i) Under 20

ii) 20-35

iii) 36-50

iv) 51-65

v) Over 65
## SECTION 2

1. When was the Casino established?

2. Who is/are the owners of this Casino?

3. Where are the names (optional) and the citizenship of the other partners?

<table>
<thead>
<tr>
<th>Name (optional)</th>
<th>Citizenship</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
</tr>
</tbody>
</table>

(if Kenyan specify whether by birth or naturalization)

4. What are the financial requirements to be fulfilled before establishing and operating a Casino?
5. What arrangements does the business require internally for good operations?

.................................................................................................................................

.................................................................................................................................

6. What are the major external influences on the business?

.................................................................................................................................

.................................................................................................................................

8. What are the requirements for success in the Industry?

.................................................................................................................................

.................................................................................................................................

9. In what ways does the government assist in the sector?

.................................................................................................................................

.................................................................................................................................

10. What are the indicators for performance in your business?

.................................................................................................................................

.................................................................................................................................

11. What is the procurement procedure for Gaming equipment?

.................................................................................................................................

.................................................................................................................................

.................................................................................................................................
12. Which other gaming equipment would you like to introduce in your establishment in the near future?

13. What does an operator/owner need to do to introduce a new game in his business?

14. What hardship do you encounter in the Casino industry?

15. What are your current gaming methods in?
   a) Roulette Tables...
   b) Card games...
   c) Slot machines...

(Please specify whether manual or electronic)
16. List the challenges facing your casino business?

I. ..............................................................................

II. ...........................................................................

III. ...........................................................................

IV. ...........................................................................

17. List down your current gaming methods in order of revenue earned.

I. ..............................................................................

II. ...........................................................................

III. ...........................................................................

IV. ...........................................................................

V. ..............................................................................

18. How does tourism affect your business?

..............................................................................

..............................................................................

..............................................................................
19. How often do you remit government taxes?

20. What is the future of Casino Industry in Mombasa?

21. What are the professional requirement qualifications for a Casino Operator?

22. What marketing strategies do you employ to attract customers in your premises?

Thank You Very Much For Your Cooperation.
## QUESTIONNAIRE FOR GOVERNMENT INSPECTORS

### SECTION 1

1. Age (years) (tick)
   - a) Under 25
   - b) 25 - 35
   - c) 36 - 45
   - d) 46 - 55

2. Academic qualifications (tick)
   - a) Certificate course
   - b) Diploma
   - c) Bachelors degree
   - d) Masters degree
   - e) Any other (specify)

3. Number of years worked in for the betting control board? (tick)
   - a) Less than 1
   - b) 1 - 2
   - c) 3 - 5
d) 6–10

e) over 10

4. Gender (tick)
1. Male
2. Female

SECTION 2

1. What is the composition of Betting Control Board?

2. What are the functions of the Betting Control Board with regard to the establishment of the Casino?
3. What is the role of Government inspectors in the Casino?

4. What is the performance of the Casinos under your jurisdiction?

5. What problems do Casinos face under your jurisdiction?

6. Which gaming methods do Casinos under your jurisdiction employ?
7. What is the overall performance of the various gaming methods?

8. Which problems do you as inspectors encounter in your supervisory work?

9. How often do Casinos remit their Tax to the K.R.A.?

10. What is the future of Casino industry in Mombasa?
11. Please indicate the revenue collected from the casino business in the past 10 years

<table>
<thead>
<tr>
<th>YEAR</th>
<th>PERFORMANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td></td>
</tr>
</tbody>
</table>

12. What percent, in the form of taxes does the Casino Industry contribute to the economy of this country?

- 1-10% [ ]
- 11-20% [ ]
- 21-30% [ ]
- 31-40% [ ]
- 41% and above [ ]

Any other comments

Thank you for your time.
SECTION 1

1. Position

2. Age (tick)
   - Under 20
   - 20 – 35
   - 36 – 50
   - 51 – 65
   - Over 65

3. Academic qualifications (highest) (tick)
   - Certificate course
   - Diploma
   - Bachelors degree
   - Masters degree
   - Other (specify)

4. Gender (tick)
   - Male
   - Female
5. Employment status (tick)

Part Time

Full Time

6. Work shift (tick)

First  

Second  

Third  

If other (specify) ........................................................................................................

7. How many years have you worked in this establishment? (tick)

1-5

6-10

11-15

Over 15

8. What are the major duties in your job?

........................................................................................................................................

........................................................................................................................................

........................................................................................................................................

........................................................................................................................................

........................................................................................................................................

........................................................................................................................................

........................................................................................................................................

SECTION 2

1. What services does your casino offer?

........................................................................................................................................

........................................................................................................................................

........................................................................................................................................

........................................................................................................................................

........................................................................................................................................

........................................................................................................................................

........................................................................................................................................
2. What is the performance of gaming in your establishment?
   - Excellent □
   - Very Good □
   - Good □
   - Fair □
   - Bad □

3. What categories of customers do you target?

4. Do the current religious beliefs in Kenya affect your operations?

5. What does the Government offer to facilitate your business?

6. What problems do you encounter with the government authorities in this business?

7. How has tourism in Mombasa affected your performance?

8. What other problems do you encounter in Casino Gaming?

9. How do you measure business performance in your establishment?
Revenue collected  □
Profits  □
Compliments  □
Repeat business  □
Customer complaints  □
Losses  □

10. What does it take for a company to succeed in this industry?

........................................................................................................................................................................
........................................................................................................................................................................
........................................................................................................................................................................

11. Please LIST (e.g. poker – ksh10, 000) and indicate the daily performance trends of the equipment in your establishment.

<table>
<thead>
<tr>
<th>Equipment</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
</tr>
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<td>5</td>
<td></td>
</tr>
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<td>6</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td></td>
</tr>
</tbody>
</table>
12. What is the attitude of Kenyans towards Gaming?

13. Do the government inspectors visit the casinos regularly?
   Yes ☐  No ☐
   If yes, how often?
   Daily ☐  Weekly ☐  Monthly ☐  Annually ☐  Never ☐

14. Please give a brief comment on the gaming industry in Kenya.

                                                                                       Thank You Very Much.
## Appendix IV

### List of all casinos

<table>
<thead>
<tr>
<th>CASINO</th>
<th>YEAR</th>
<th>LOCATION</th>
<th>INVESTOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jambo Casino</td>
<td>1999</td>
<td>Polana Hotel</td>
<td>Italian</td>
</tr>
<tr>
<td>Monsoon Casino</td>
<td>1982</td>
<td>Mama Ngina Drive</td>
<td>Koreans</td>
</tr>
<tr>
<td>Wonderland Casino</td>
<td>2003</td>
<td>Reinsurance Plaza</td>
<td>Asian + Irish</td>
</tr>
<tr>
<td>Golden Key</td>
<td>1997</td>
<td>Tamarind Restaurant</td>
<td>Kenyan Naturalize</td>
</tr>
<tr>
<td>International Casino</td>
<td>1995</td>
<td>Nyali Beach Hotel</td>
<td>Asian</td>
</tr>
<tr>
<td>Play Boy</td>
<td>1998</td>
<td>Nkrumah Road, Ambalal House</td>
<td>Asian</td>
</tr>
<tr>
<td>Ace of Clubs</td>
<td>2005</td>
<td>Nyali Cinemax</td>
<td>(Irish) Naturalize Kenyan</td>
</tr>
<tr>
<td>Rocco Casino</td>
<td>2004</td>
<td>Royal Court</td>
<td>Italian</td>
</tr>
<tr>
<td>High Rollers</td>
<td>1996</td>
<td>Moi Avenue</td>
<td>Asian</td>
</tr>
<tr>
<td>Birimbi Casino</td>
<td>1998</td>
<td>Diani</td>
<td>Italian</td>
</tr>
</tbody>
</table>

*Researcher 2005*
### Appendix V

#### TIME TABLE OF EVENTS

<table>
<thead>
<tr>
<th>PHASE</th>
<th>ACTIVITY</th>
<th>DURATION (WEEKS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Pilot Study</td>
<td>1 Weeks</td>
</tr>
<tr>
<td>II</td>
<td>Data collection</td>
<td>3 weeks</td>
</tr>
<tr>
<td>III</td>
<td>Data coding</td>
<td>3 weeks</td>
</tr>
<tr>
<td>IV</td>
<td>Data analysis</td>
<td>2 weeks</td>
</tr>
<tr>
<td>V</td>
<td>Report Writing and Presentation</td>
<td>3 weeks</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>12 WEEKS</strong></td>
</tr>
</tbody>
</table>

#### WORK SCHEDULE

<table>
<thead>
<tr>
<th>ACTIVITIES</th>
<th>WEEK</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>------</td>
</tr>
<tr>
<td><strong>I</strong> Pilot study</td>
<td></td>
</tr>
<tr>
<td><strong>II</strong> Data collection</td>
<td></td>
</tr>
<tr>
<td><strong>III</strong> Data Coding</td>
<td></td>
</tr>
<tr>
<td><strong>IV</strong> Data analysis</td>
<td></td>
</tr>
<tr>
<td><strong>V</strong> Report Writing and Presentation</td>
<td></td>
</tr>
</tbody>
</table>
## BUDGET PLAN

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Secretarial services</td>
<td></td>
</tr>
<tr>
<td>a) Typing proposal</td>
<td>4,500</td>
</tr>
<tr>
<td>b) Typing filed reports</td>
<td>2,500</td>
</tr>
<tr>
<td>c) Typing and photocopying questionnaires</td>
<td>1,000</td>
</tr>
<tr>
<td>2. Stationery</td>
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</tr>
<tr>
<td>a) Writing materials</td>
<td>1,400</td>
</tr>
<tr>
<td>b) Duplicating papers</td>
<td>2,300</td>
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<tr>
<td>c) Pens</td>
<td>1,100</td>
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<tr>
<td>3. Traveling expenses</td>
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<tr>
<td>a) To different Casino</td>
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<tr>
<td>b) To collect questionnaires</td>
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<tr>
<td>4. Binding</td>
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</tr>
<tr>
<td>a) Binding proposal</td>
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</tr>
<tr>
<td>b) Binding final report</td>
<td>600</td>
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<td>5. Computer charges</td>
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<td>6. Contingencies</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>15,300</strong></td>
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