

Smartphones could fuel Internet gambling

By Wayne Parry, AP

Internet gambling has tremendous growth potential in the United States as ever-greater percentages of the public use smartphones, participants in a major gambling conference said Wednesday.

At the East Coast Gaming Congress and iGaming Institute in Atlantic City, casino and online gambling executives said the online gambling market has shown encouraging growth, but is still a fraction of what it could be.

They also said nearly three years of experience has shown that Internet gambling is not cannibalizing their existing brick-and-mortar casinos, but rather bringing in new customers, many of whom then visit the physical casinos as well.

“We’re seeing huge growth in mobile phone and tablet play,” said Luisa Woods, executive director of Internet marketing for Atlantic City’s Tropicana casino. “And we’re seeing huge cross-flows between players who visit the casino and then go home and continue to play online.”

Internet gambling brought in \$160.7 million in 2015 in the three U.S. states that allow it. New Jersey is by far the largest market, at \$148 million. Delaware brought in \$1.8 million last year, and Nevada, which stopped reporting its Internet winnings publicly, is estimated at about \$10 million in their poker-only market, said Eugene Johnson, senior vice president of Spectrum Gaming Group, an Atlantic City-area consulting firm.

The industry still needs to do a better job of marketing itself, many participants agreed. Itai Pazner, senior vice

president of 888 Holdings, said when customs questioned him at Newark Liberty International Airport on his way to the conference, he told them he works for an Internet gambling company.

"Is that legal in New Jersey?" the agent asked Pazner.

"A lot of people are confused," he told the conference at Harrah's Waterfront Conference Center. "They don't know if it's legal, if it's illegal, if it's good, if it's bad. We need to educate people."

There was no mention at the conference of perhaps the greatest threat to the fledgling Internet gambling industry: the avowed opposition to it from casino billionaire Sheldon Adelson, who has promised to spend as much as it takes to enact a legislative ban on it in the United States.

Another major challenge is getting additional states to approve Internet gambling. Because only three states now offer it, the prize pools for online poker are small, and that is holding the industry back, participants agreed.

"Poker without enough liquidity isn't viable," Pazner said. "The markets are still relatively small. The U.S. needs more states (to legalize Internet gambling) and we need them urgently."

He said Europe has more readily embraced Internet gambling, adding, "There is huge potential growth on both sides of the ocean."

George Rover, deputy director of New Jersey's Division of Gambling Enforcement, said unlicensed offshore sites still pose a major problem for legal Internet gambling sites by siphoning away customers and revenue to unregulated sites with no customer protections.

He said the state has been formulating plans to deal with such

sites, promising a development on the issue soon.

Thomas Winter, vice president of Internet gambling for the Golden Nugget casino in Atlantic City, said his casino has seen good growth across its Internet platforms. But he said some customers still need to be assured of the integrity of Internet gambling.