

On-line gambling and gaming

Nigel Barnett

Fed up with on-line network games then why not play for real? For real money that is, and millions of web surfers are doing just that.

One of the surprises in 2005 was the upsurge in on-line gaming and gambling. Although lottery sites, offshore on-line casinos and community gaming sites have been around for a considerable time, analysts suggest that the global on-line gaming industry will double in size from \$11.9bn to \$21.4bn between now and 2010.¹ The popularity of traditional lotteries shows no sign of diminishing and websites such as *The National Lottery* in the UK and *La Française des jeux* in France regularly draw around 2 million visitors a month.² It is however, the growing interest shown in gambling sites that has attracted most attention. On-line casinos, although only attracting half the audience of lottery sites, have become twice as popular as the more traditional bookmakers. What has happened is that the once clear division between gaming, - that is to say traditional lottery games like bingo and scratch cards on the one side, and gambling, - placing money on casino games, cards and horses, has become a little fuzzy thanks to the Internet. Nor is it just the established names in gambling and betting who are profiting from this convergence. Some well-known sites like *Yahoo*, *lastminute.com* and even the Times newspaper on-line have also added gaming and gambling packages to their web pages, incorporating so-called 'white label' solutions which make use of the expertise of on-line gaming companies but 're-badge' them as their own. The collective result of all this has been that ordinary people are logging on to casino sites massively and the casino's on-line advertising campaigns have moved up-market to news and community sites to tap into this.

Take poker for example, a high-risk gambling game, which is, rather surprisingly, still illegal on-line in the United States. Its popularity has exploded, both on the net and in the real world, over the last two years. Online poker tournaments feed into the real-life professional poker tours, where, boosted by TV coverage, some poker players have become stars, earning incomes superior to many of the more traditional 'sports' personalities. Accessibility is the key as housewives, company directors, university students, (and some lecturers) and many other amateur players around the world, try their hand and hope that they are among the 15% of people who win. They

¹ Infomedia and Cannacord Capital quoted by St Miniver www.netimperative.com/events/

² Nielsen/NetRatings, On-line Gaming Market Overview, September 2005

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may even go on to play and win against professional poker players, such is the nature of the game.

Fuelled by public interest and Internet sales in June 2005 *Partypoker*, the world's largest on-line gambling room went public, offering shares on the London stock market. The share launch made millions of pounds for the founders but in the time-honoured tradition of gambling houses, much less for the investors who saw the value of their investment slide by 30% by September.³

A number of factors have encouraged operators and would-be gamers to take the on-line plunge. For the operators the development costs of an on-line casino are derisory when compared to the construction of the real thing, nor are they dependent on local customers to fill their gambling rooms, having all the internet on which to draw. Open 24 hours day and every day, companies like *Partypoker*, registered in Gibraltar, and *Intercasino*, Europe's top on-line casino with almost 1 million visitors a month and registered in Antigua, offer a multitude of good quality on-line games in multi-language formats. Not forgetting the community chat rooms, the tips and advice pages, and the all-important opportunity to play whatever variation of poker it is, in practice mode, rather than risk the real money game.

European surfers have not been timid. According to Nielsen/Net ratings, 1 in 4 French surfers have visited on-line gambling sites. Spain is Europe's fastest growing market, up 154% between September 04 and September 05, and Germany, with 6 million monthly visitors, is Europe's biggest. The typical on-line player is male, under 35, with a broadband connection and regularly plays on just one gaming site. The advantages of convenience and anonymity, together with the growing on-line self-assurance of Internet users and the general relaxing of licensing laws have transformed what was once a rather shady activity, into an acceptable, extremely popular (and for some, profitable) pastime.

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³ See <http://www.partypoker.com/> for more details.