

# THE BIG DEBATE

**This month, we ask:** Will PokerStars be a positive force in New Jersey's regulated online gaming market?



## **Rob Gallo**

President of the Peak Gaming Group

It is sometimes best to predict the future by looking back at the past. When the idea of online poker was first introduced in 1998 with Planet Poker, the firm needed to educate the population at large that it was possible to play the game online. This is a very expensive proposition for the first to market. Then entered Paradise Poker. While they managed to blow Planet Poker out of the water, the overall poker market size increased at the same time.

That paved the way for Ultimate Bet, then partypoker, then PokerStars and Full Tilt to create an overall expansion of the online poker market. The moral of the story is more poker rooms means more poker players, which is better for the poker industry overall.

Of course there will be the question of saturation in such a relatively small market like New Jersey, but the question remains, is it better to have 76% of New Jersey residents not even aware there is regulated online poker, or bring

in a power house marketing machine like PokerStars to educate the market and inform players that the activity is now legal, licensed and regulated.

I think the trickle-down effect means the other poker rooms in the market will benefit from the additional market penetration. Sure it might seem tough to compete with the 800-pound gorilla that is PokerStars, but some of the most successful online poker rooms have been doing just that on a global stage for over a decade. They'll figure out a way to make it work in New Jersey too.

On a side note, there might be a feeling of resentment from the likes of bwin, party, Betfair, 888 and the rest who either exited or never took US wagers post the Unlawful Internet Gaming Enforcement Act 2006, but in reality PokerStars never broke any federal gambling laws by continuing to accept wagers from US players.

Now there's a topic I know will stir a debate.



## **Frank Catania**

Former director of the New Jersey regulator

PokerStars is the world leader in online poker, and if the company is granted a license to operate in New Jersey, the online gaming market in the state will have an opportunity to change almost overnight. My concern is that the excitement for the PokerStars online poker offering will have little impact on the current condition of the traditional casino industry in Atlantic City, which has been in decline for some time.

The bottom line is that Atlantic City needs to attract more visitors who will spend discretionary gambling dollars. It has always been my opinion that internet gaming could be a boost to the land-based casino industry; however, the manner in which online gaming is currently being operated appears to be more focused on driving more online traffic than encouraging actual in-person visits to Atlantic City casinos.

PokerStars will offer its games to online players in

New Jersey and, who knows, maybe someday to players from other states and countries. But the real boost to Atlantic City will be encouraging these new online players to visit the seaside gambling resort in person.

In my opinion, PokerStars will have the biggest impact on Atlantic City if the company works with its land-based casino partner – Resorts Casino – to incentivize online players to “Do AC” – that is, visit and spend money in casinos, restaurants and clubs in Atlantic City. Right now, what I see are deposit incentives for players to double their deposits and continue to play online with no incentives to visit the affiliated land-based casino.

In the end, I welcome PokerStars and their tried and proven online offerings to Atlantic City, with the hope that the company will utilize its great marketing expertise to help revitalize a fading seaside gambling resort.