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*Late Breaking News, Compelling Ideas, Just Plain Good Stuff for the Gaming Industry!*

## YOUR customers WILL be playing online

**WHERE** they play is entirely up to you

[By Guest Contributor Rob Gallo, Raving Partner, Online Casino Gaming](#)

Grab the measuring cup and the mixmaster, throw on your apron, and follow me into the kitchen. I am going to reveal the right recipe for your Internet Gaming "dish" to serve up to your casino customers.

Understanding each of the ingredients is important in order to determine what dish you are looking to prepare in online gaming. So, let's first define several terms that are sometimes misunderstood in this space.





**Internet Gaming** is the broad term that can also be defined as "online gaming." In some instances, people do use the term iGaming to mean ALL gaming that happens online, whether it's for real or fun. It's preferred that the term Internet Gaming be all-encompassing.

**iGaming** generally means real-money wagering in regulated markets. Some people use the term "eGaming," but again, that is also for real-money wagering.

**Social Gaming** is gaming that takes place whereby the players cannot actually win/withdraw real money from their gaming activities. This means that they are NOT regulated, because they are NOT considered gambling. Of the three things needed to be considered gambling, Consideration, Chance and Prize, at least one is always missing. Meaning that players can buy virtual chips to unlock and play additional levels inside the game, but they cannot withdraw any winnings.

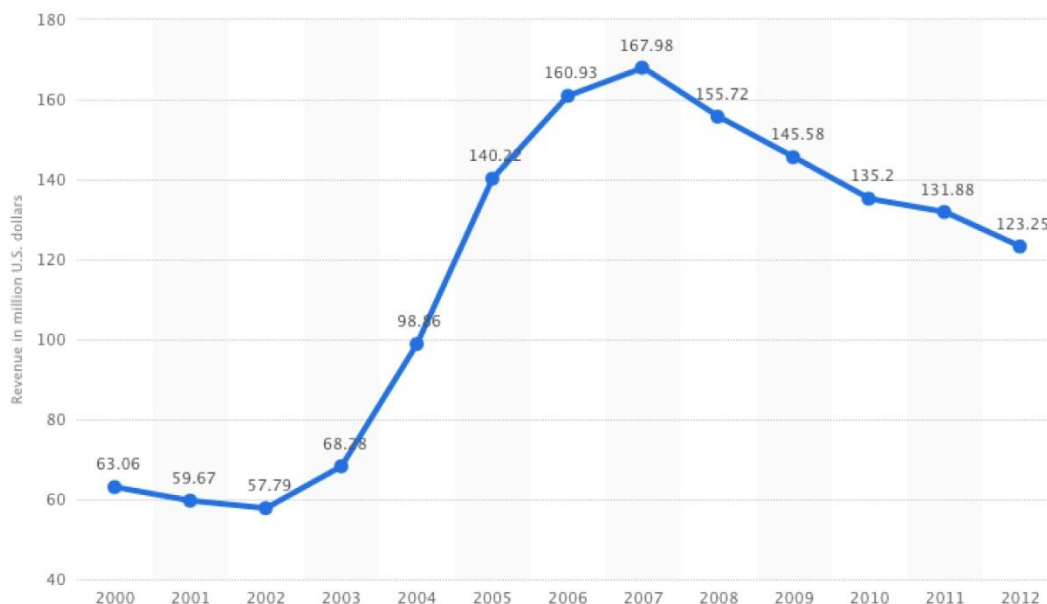
The reason it is called "social" is because it was started on sites like Facebook, players can interact with their friends within the game, and also see how they are doing at the same games in comparison to other players. Nowadays the term Social Gaming applies to a broader range of games that may not include a social component, but they are still based on a "play for free" model. In addition to selling virtual chips for players to level up, another way that companies monetize these games is through a "rewards" based system, which allows players to earn points that can be redeemed in the physical casino property for food, show tickets, hotel nights, and the like. So long as the rewards are based on purchases, and NOT the outcome of any simulated gaming activity in the online casino, there are no legal issues.

**Hybrid Gaming** is the latest bit of convergence in the online gaming space. It combines the Social Gaming "play for fun" model with real-money sweepstakes that

pay out real prizes. Many companies have been using sweepstakes to drive business, and now land-based casinos are getting into the mix.

Moving beyond the ingredients, we then need to decide what portion of the online gaming meal you are going to prepare in order to satisfy your customers' appetites. But before we look at the menu, I wanted to bring up two important points. The first is to dispel a myth about the cannibalization of your land-based casino business. There is a terrible misconception by traditionalists in the brick and mortar casino industry who believe that the introduction of online gaming is going to cannibalize your land-based revenue. This is simply not true. In fact, the exact opposite has been the case over the years. Just look at what online poker did for the land-based poker business.

**Poker room revenue of Nevada casinos from 2000 to 2012 (in million U.S. dollars)**



Those who hold the cannibalization belief closest to their hearts are the land-based staffers who only see people coming into the physical casino as money makers for themselves and the casino. This is why it is vitally important to hire someone from the outside who fully understands how to migrate online players to your land-based casino and vice versa. The objective is to help educate the internal staff as to the important symbiotic relationship between the folks on the casino floor and those who are manning the computers in the customer service roles for your online gaming offering.

The second point is that YOUR customers WILL be playing online, and WHERE they play is entirely up to you. You will not stop the proliferation of online gaming by ignoring it. Your competition is going to forge ahead in the space with or without you, so be prepared.

OK, let's get back into the kitchen. For most of you reading this, I am going to assume that you have the right "culinary experts" preparing the main course of meat and potatoes in your land-based casino, and you've been successfully serving up that dish for years. Over time you've learned from other chefs about how to add extra garnish and side dishes, with bonuses and promotions, to keep your customers coming back for "dinner" on a regular basis for years, and that is great!

But when it comes to online gaming, it is more like the art of preparing a soufflé as the dessert that finishes the meal, even if it's in a doggy bag and being eaten at home by your casino customers. To that end, I am often asked by land-based casino operators, "What is the first thing that we should be doing with regard to online gaming?" In simple culinary terms, hire an "Online Gaming Chef." Let them help you select the exact ingredients, train your staff to prepare an online gaming feast for your customers, and generate additional revenues for your casino. Bon Appétit!

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