

Gaming Trends: Internet and Cell Phones

Internet gambling: a casino in every home and office?



Today, anyone with a personal computer and modem, interactive television or a cell phone has the capacity to gamble, virtually creating his or her own personal casino. Internet gambling is becoming an increasingly popular form of gambling, and there are now several thousand internet gambling sites.

The convenience of gambling at home, the ease of setting up a gambling account and the variety of forms of gambling – from traditional betting, to casino gambling, bingo and lotteries – make online gambling very appealing; that appeal leads to increased risk of problems with this new form of gambling.

Risks of Internet gambling

- ⌘ The financial transactions associated with online gambling are illegal in the US.
- ⌘ It's too easy to access; people can gamble 24 hours a day.
- ⌘ It's too solitary: you can gamble in your own home undetected and unnoticed.
- ⌘ There's an increased risk that children will find and use these sites.
- ⌘ The absorbing nature of computers can lead people to lose track of time while gambling.

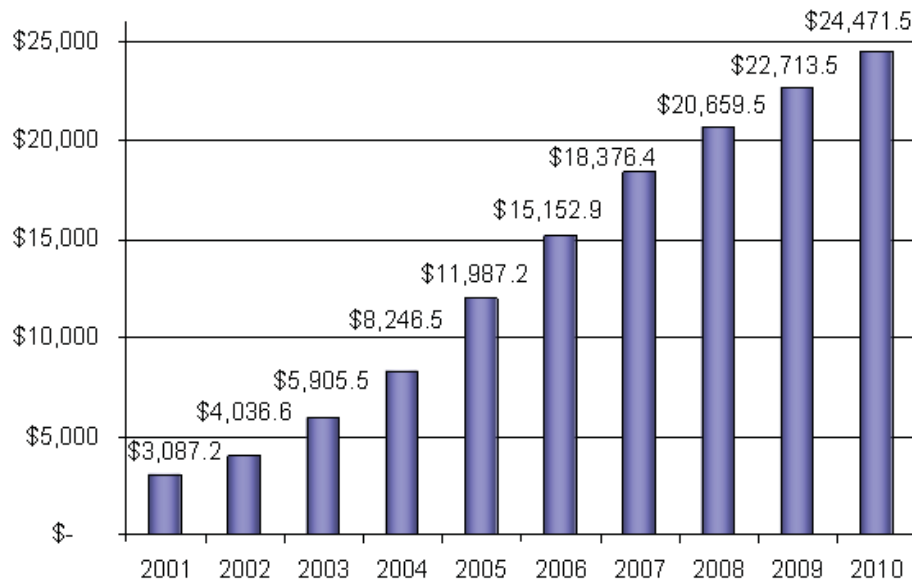
- ⌘ Gambling online enables an accelerated speed of play; for example, casino card games have an average rate of play of around 30 hands per hour, compared to online poker, which can average 60 to 80 hands per hour.
- ⌘ Persons seeking gambling treatment who used the Internet to gamble tended to have more severe problems.
- ⌘ Perception of the value of cash decreases; i.e., players are forgetting that they are spending real money.
- ⌘ A gambling site on the other side of the world may or may not be legitimate; there may be very little to prevent the provider of online gambling services from taking 'a customer's money and shutting down, or failing to pay winnings.
- ⌘ Credit card or account details may be vulnerable to capture, and funds may be vulnerable to theft by computer hackers.
- ⌘ Internet gambling may be vulnerable to invasions of privacy. Information given to casino operators can be used for other purposes; for example, a service that uses telemarketing to persuade people to bet on its football betting system may be willing to pay money for a list of Internet sports book players.
- ⌘ Online activity, which appears addictive in its own right for a minority of users, may interact synergistically with the propensity for problem gambling and thereby increase the number of online problem gamblers.

Young males at highest risk?

Data released in October 2006 by the Annenberg Public Policy Center show that at that time, more than one million young people were using Internet gambling sites on a monthly basis. Among males 18 to 22, Internet gambling doubled between 2005 and 2006. The new data were released by the National Annenberg Risk Survey of Youth, which has tracked gambling among young people ages 14 to 22 since 2002. Based on the survey's most recent estimates, approximately 850,000 males ages 18 to 22 gamble online at least once a month. The corresponding number for males between 14 and 17 is 357,000. Among the 18- to 22-year-old age group, weekly use of Internet gambling sites increased from 2.3 percent in 2005 to 5.8 percent a statistically significant increase.

Full survey results may be found at
<http://www.annenbergpublicpolicycenter.org/ProjectDetails.aspx?myId=10>
Internet sales are predicted to expand

CCA's Global Internet Gambling Revenue Estimates and Projections (2001-2010, \$M, US)



Source: Christiansen Capital Advisors, LLC

Source:

http://grossannualwager.com/Primary%20Navigation/Online%20Data%20Store/internet_gambling_data.htm

Web sites on Internet gambling

Managing Internet Gambling in the Workplace

<http://firstmonday.org/htbin/cgiwrap/bin/ojs/index.php/fm/article/view/1044/965>

eGambling issue on Internet gambling:

www.camh.net/egambling/archive/pdf/EJGI-issue5/EJGI-issue5-complete.pdf

GAO report on Internet gambling

www.gao.gov/new.items/d0389.pdf

Internet gambling: legal issues

www.gamblingandthelaw.com/antigua.html

Newshour: legislation banning fund transfers for online gambling
www.pbs.org/newshour/bb/business/july-dec06/gambling_10-16.html

CBS 60 Minutes story on Internet gambling
www.cbsnews.com/stories/2005/11/17/60minutes/main1052420.shtml

American Gaming Association fact sheet on industry issues
www.americangaming.org/Industry/factsheets/issues_detail.cfv?id=17

Washington State Gambling Commission fact sheet
www.wsgc.wa.gov/faq/internet_gambling.pdf

Media Awareness article
www.media-awareness.ca/english/teachers/wa_teachers/safe_passage_teachers/risks_gambling.cfm

FTC guidelines for parents regarding youth online gambling
www.ftc.gov/opa/2002/06/onlinegambling.htm

Sources (all accessed online on Dec. 5, 2009):

<http://www.ftc.gov/opa/2002/06/onlinegambling.shtm> www.aic.gov.au/publications/tandi/tandi88t.html
www.impactlab.com/modules.php?name=News&file=article&sid=7254

Gambling on the cell phone

Cell phone gambling is still getting off the ground but, thanks to its convenience and a receptive 20- to 35-year-old age bracket, the sector is primed for growth. Cell phone gambling currently is illegal in the United States, but global revenues from cell phone-based casino games will grow at an accelerated pace and are projected to total over \$2.2 billion by 2010 more than five times the revenues generated in 2004.

**Mobile Device Casino Games Revenues Worldwide,
2004-2010 (millions and % growth vs. prior year)**

2004	\$420.0
2005	\$479.6 (14.2%)
2006	\$677.0 (41.2%)
2007	\$1,006.8 (48.7%)
2008	\$1,455.6 (44.6%)
2009	\$1,886.6 (29.7%)
2010	\$2,226.2 (18.0%)

Source: *visiongain*, November 2005

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Cell phone users in the UK who were surveyed regarding the appeal of cell phone gambling overwhelmingly cited convenience as a benefit (70 percent), with smaller numbers saying that it was less intimidating and allowed for more discretion.

A 2003 article in *Forbes Magazine* notes:

- Cell phones themselves are becoming better suited to gambling. The newest cell phones are essentially mini-PCs, with full operating systems, heavy-duty processor power and high-resolution color screens. Pricy phones, PDAs and phone-PDA combos now offer an expensive but accessible way to get online
- Software within phones is also helping to further gambling. Smart phones now accept a version of the Java programming language, as well as a competing language for so-called applets, BREW, which is licensed by **Qualcomm** (nasdaq: QCOM - news - people). Developers would use an applet--easily downloadable software--to deal a card in blackjack, depositing the graphics on the user's cell phone and sending a request to the casino's server for a random card, says Don C. Harold, vice president of operations for **Chartwell Technology**, a gaming software company for online casinos based in Calgary, Canada.
- Software vendors expect wireless gambling to take off first in sports betting, including horse races and wagering on team matches. Initially, the bets will be made using simple text-based programs or instant messaging, although a gambler's wish list would include streaming video of live games and races once 3G networks can handle the huge amount of data required.

(http://www.forbes.com/2003/02/10/cz_cs_0210gaming.html)

To see an industry publication on the potential of this type of gaming go to <http://www.cellgambling.com/>