

# Land based casinos and online casinos.

## *Partners or rivals?*

With an increase in the industry of online entertainments, representatives of which are online casinos, we have asked ourselves this question: "Will online casino extrude their real ancestors?" Let's look at the figures. The industry of online casino games is ramping up promptly: online casino turnover was \$11.5 billion in 2000 and that volume increased to about \$21.5 billion in 2002, with revenue equaling about \$1.3 billion and in 2005 revenue could exceed \$10 billion. However, but that real casino? Their annual turnover in the USA only amounts 600 billion dollars and it does not be going to decrease!

As we see, the volumes of real and virtual sectors are absolutely incommensurable. As show different researches, players continue to play in the real casinos and additional sums are separated to the online games. Besides to online casino come people who don't have an access to real casinos. So many people have foretold the loss of cinemas because of the advent of television and then video tape recorders and DVD. However, cinemas flourish all over the world and new films each year break records on the cashbox collections.

So online casinos are not enemies for the real casinos, aren't they? Yes, they are. According to polls, the majority of people nevertheless prefer real casino to the virtual: only 5% of those interrogated agreed what to play online casino more convenient than to go into the real casino; only 3% draw the possibility of the anonymous game through the Internet; only 2% of them prefer online casino to offline and 1% consider that it is the online casino more interesting than land based casino. On the other hand, 20% consider that the online casinos are less safe, and 42% prefer to play precisely in the real casino. The online casino rates are also less than in the real: only 2% of interrogated people are ready to gamble \$100 to the online casino, while in the real casino 24% of people are ready to risk by this sum.

Thus, figures indicate advantage of real casinos, but what think the representatives of real casinos about their Internet fellows? As early as 1999 their opinion was negative; however, situation has sharply changed for last several years. "Online casinos now are not threat for the casinos of Las-Vegas. On the contrary, they will become the new source of profit and the possible tool of advertisement" - tells Jerry Asher - the Vice President of the River City Group research company. "Online casino is completely different type of entertainment" - he continues.

So can the Internet be advantageous to real casinos? Actually, on the one hand, there is an additional money in the network and its value will only increase, on the other hand, about half of potential online players prefer to play in the casino which name associated with well-known real casino. As a result large real casinos begin to come into the Internet. Online casinos associated with such important English companies as

**William Hill, Stanley Group, Ladbrokes** already successfully work for last several years. Not long ago **LittleWoods** and **Ritz** had followed the lead of them. Also Australian casino **Lasseters** adjusted by state is very popular. But situation with American casino is more complex. As is well known, real casino in the USA are permitted only in several states and in the Indian territories. Situation with online casino is very complex too. For the moment only in the state of Nevada the launch of online casino is permitted. And any other kind of online gambling remains semi-legal for the Americans. The fact is that the law, according to which making rates is forbidden to Americans with the aid of the telephone, the telegraph or other wire methods, was accepted about 40 years ago. And this law doesn't determine legality of using the Internet as method of gamble, so that Americans play in online casinos at one's own risk. But large casinos do not want to risk; therefore they go to the online gambling industry extremely unwillingly, especially because of the law about the prohibition of online gambling that depends on the Senate already for several years. Although after the events on 11 September, when the inflow of tourists into Las-Vegas sharply was reduced many real casinos made the decision to invest to the online gambling industry. At the present moment the large real American casino Hurrah proposes online games only in the practice mode (not for money). MGM opened the online casino, which assumed players only from the small number of countries and did not assume players from the USA, but not so long ago this casino was closed because of the uncertainty with the American play legislation. Also Atlantic Casino was closed. This casino had existed less than year, but reasons as regards this casino have rather economic character - absence of profit.

So we didn't find a special antagonism between online casinos and real casino world. On the contrary - the Internet enlarges the possibilities of known large real casino. Apparently the casinos have their general enemies: lottery, bingo, bookmakers and other kinds of virtual and real entertainments.

[Online Casino](#)