

Esports and casino gaming set to 'collide,' experts say

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ATLANTIC CITY — The future of casino gaming is not coming — it is already here.

Esports, or competitive video gaming, is a wide-open market for forward-thinking casino operators, content providers and gamblers, according to a panel of experts who spoke Wednesday at the 23rd annual East Coast Gaming Congress and NextGen Forum at Harrah's Waterfront Conference Center.

"We're at a crossroads of esports and the gambling world," said Ari Fox, producer of Gamacon & Casino Esports Conference. "But it's already happening. It's just a matter of when casino executives and the gambling world are going to step into the fray."

Cash-betting on skill-based video games is already legal in 38 states, including New Jersey. But without a concerted effort on the part of American gaming operators to capitalize on the opportunity to attract the next generation of gambler, the casino industry is missing out on the nearly \$13 billion bet annually on esports with offshore bookmakers, analysts said.

"These two industries (casino gaming and esports) have to collide because the casino industry is beginning to lose the generation that plays table games," Fox said.

Competitive video game tournaments attract millions of viewers worldwide, mostly males between the ages of 15 and 35. In 2018, esports viewership clocked in at more than 167 million worldwide, according to research by NewZoo and Goldman Sachs. By 2022, that number is expected to eclipse 300 million.

Casino properties in Nevada have begun trying to lure this demographic by constructing massive esports arenas and partnering with well-known sponsors to offer cash prizes.

Russell Aleksey, founder and CEO of OkLetsPlay, said esports allows for a "much more engaged" experience that appeals to a new generation of gamer, which casino operators could take advantage of if done properly. At its core, esports is a competition between two or more people, and the ability for a player to bet on themselves or a spectator to wager on a preferred player is more of a draw to younger gamers than slots or tables, he said.

"The average Joe out there can feel like a champion, feel like a pro, play with real money and bet on themselves," said Aleksey. "There's a massive population of players out there who are of age and eligible to engage in such an activity."

The problem, at the moment, is that most casino operators either do not understand esports or are not concerned with a younger demographic of gambler, said Alex Igelman, principal of Spectrum Esports Advisors and chairman of Millennial Esports Corp.

"It's still a nascent industry, and we're continuing to evolve," Igelman said, "but it will be mainstream soon."

A 2017 report from NewZoo on global gaming market trends found anywhere from 40% to 60% of video gamers over the age of 25 are interested in in-game betting.

“These people (gamers) are crazy about the internet and online engagement,” said Antoine Grimond, chief operating officer of Gamifly Esports. “(The opportunity) is here, it’s just not being turned into customers yet.”

Fox said if casino operators really want to get involved and generate revenue, they have to “offer something more entertaining than what’s online.”

“People should have the ability to have fun,” he said. “If I’m a millennial and I walk into a casino right now, there’s nothing for me to do.”

Josh Marcus, managing partner and co-founder of MKM Esports, said esports is “accessible” to everyone, which gives the offering a wide appeal. Marcus said the popularity of esports is only going to expand as more people are exposed to it.

“We’re definitely going to see more growth,” he said, “and it will only continue.”