

New markets: is there a magic formula?

The "New Markets" IAGA panel discussion addresses the questions of how non-gaming jurisdictions develop to become respected gaming jurisdictions? And how does industry contribute to ensure new markets fit in with industry expectations? Here panelists Maire Conneely and Bo Bernhard discuss their views ahead of the Summit in Vancouver

How should a government confront the issue of gaming in a non-gaming jurisdictions - how do you sell the idea to a skeptical public and an often hostile government?

Maire Conneely: It is true that members of the public as well as the government can often be sceptical about introducing gaming to a non-gaming jurisdiction. However, the reality is that even in non-gaming jurisdictions, unless stringent enforcement is untaken, gaming is available to the public whether in underground casinos or over the internet. In these circumstances, most people will accept that if gaming is available anyway, that it should be regulated to ensure that vulnerable and underage persons are adequately protected.

Integrated Resort development is a relatively new proposal in Ireland but it has not found favour with government. Ireland, as a new jurisdiction to gaming, is likely to start off with a more conservative gaming offering such as medium size casinos.

Bo Bernhard: I'm an academic, so my sincere hope is, of course, that the answer is "with facts and data." In the past 15 years, the research on the impacts of gaming has really come a long way, and often the key questions



that skeptics have are answerable with science. No matter the jurisdiction, there seem to be about five "key questions" that need to be addressed, covering things like job creation, economic impacts, cannibalization of existing businesses, crime, and problem gambling. We at the UNLV International Gaming Institute have actually characterized this way -- with reports that address the "five key questions" -- and we believe that new jurisdictions actually have an advantage over existing ones in a way, because they can learn so much from others' trials and tribulations. Typically, it's best to be first to market -- but with gaming, being 37th to market has its advantages, given how much we've learned over the past generation or so.

No new market is a blank sheet - grey market activity, established competition models (legal or otherwise) need to be addressed. How should governments balance their desire to establish a casino model against competing established alternatives?

Bo Bernhard: Today, the data is advanced enough that we can actually rank all types of gambling -- from illegal gambling to destination integrated resorts -- in terms of their costs and benefits, and present that case. We do know that the modern destination integrated resort casino is by far the most successful -- in terms of positive economic impacts. Though not all markets can be destination markets, by studying these models and adopting key research-based insights were applicable, new jurisdictions can learn quite a bit about maximizing their chances of success, and can easily compare their existing approach with other approaches to legalization.

Maire Conneely: In my view, the key is for government to engage with the relevant stakeholders early in the process and to bring them along throughout the process. Ultimately, by taking into consideration a broad set of viewpoint and concerns a more successful gaming jurisdiction will result.

Will we see the establishment of new street/arcade markets in the future with multiple vendor/operators - or are we solely on the path of Integrated Resort development of new markets?

Maire Conneely: In Ireland, gaming arcades with very low level stakes and prizes have existed for decades. There has been a reluctance to allow these arcades to expand, as they are seen as attractive to underage players. Integrated Resort development is a relatively new proposal in Ireland but it has not found favour with the government. Ireland, as a new jurisdiction to gaming, is more likely to start off with a more conservative gaming offering such as medium size casinos. Though integrated resort developments are seen as attractive by tourism bodies, there is a concern that they are not suitable for smaller jurisdictions such as Ireland.

Bo Bernhard: Well, the Singapore model is the most oft-invoked, but I think even Singapore would concede that many things that work in Singapore are working because "everything" works in Singapore -- it's a highly efficient system that may not be easily replicated in other jurisdictions. However, Singapore has certainly achieved its GDP objectives, its tourism objectives, and its MICE objectives, and that is highly attractive to new jurisdictions. This is highly attractive not only to jurisdictions involved in the "battle for the north Asia gaming port" (places like South Korea, Japan, Vladivostok), but also throughout other regions -- in fact, I've ever heard Jamaica invoke "the Singapore model." when I think that most of us would agree that these two jurisdictions are quite different in other facets of their approach to governance.



Bo Bernhard,
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A fifth-generation Nevadan, Dr. Bo Bernhard proudly calls Las Vegas home, but works frequently in emerging gaming jurisdictions around the world. Over the past fifteen years, Dr. Bernhard has developed an award-winning body of work that has been widely cited by both public and private sector institutions. Dr. Bernhard began his research career at Harvard University, where as an undergraduate he captained the baseball team, started on the nationally-ranked soccer team, and completed a double major (psychology and sociology) magna cum laude thesis on the global impacts of gaming. The foundations his thesis have since been extended worldwide, and by the age of 30, Dr. Bernhard had lectured and advised on these topics on six continents. A sociologist by training, his work often blends perspectives from the business sciences and the social sciences in his current role as Executive Director of the UNLV International Gaming Institute.



Maire Conneely,
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Maire Conneely is a Senior Associate in the Litigation and Dispute Resolution Department of A&L Goodbody and is co-head of the firm's Gaming and Betting Group. Maire has over 15 years of experience advising on all aspects of intoxicating liquor licensing, gaming and lotteries and betting law. Maire also has extensive experience in High Court and Commercial Court litigation. Maire advises a variety of domestic and international gaming, lottery and betting operators in relation to their Irish operations. She also advises operators in the gaming, lottery and betting industry who are interested in entering the Irish market. Maire also advises extensively on all aspects of licensing for public houses, hotels, cinemas, nightclubs, off licences, and restaurants. Maire regularly appears before the courts in relation to licensing applications and disputes relating to licensed premises.