

## Esports video games hold vast betting potential, experts say

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Former Green Bay Packers running back Ahman Green, the coach of Lakeland University's esports program in Wisconsin, spoke at a conference in Atlantic City, N.J. on Tuesday, Oct. 18, 2022 at which participants agreed there is great untapped economic potential in bringing together the global audience of competitive video games with the gambling industry. Credit: AP Photo/Wayne Parry



Competitive video games hold vast economic potential in the U.S. and worldwide, particularly once gambling companies figure out how to interest players and spectators in betting on them, participants in an industry conference said Tuesday.

Speaking at the Casino Esport Conference in Atlantic City, executives with video game companies and casinos agreed there is a vast upside to getting the hundreds of millions of people who play online video games interested in the casino industry.

"Esports is only going to get bigger," said Seth Schorr, chairman of Las Vegas' Downtown Grand casino. "It's not a fad."

Newzoo, the research company that tracks the world of competitive video games, also known as esports, says the global audience for these games will increase by 8.7% this year to 532 million. The games themselves will generate \$1.38 billion in economic activity worldwide, a third of it coming from China, according to the company.

The conference came as the casino industry is taking tentative steps to try to integrate esports into its gambling offerings, with varying degrees of success.

The Luxor casino in Las Vegas recently built a 30,000-square-foot (2,800-square-meter) esports arena to host events and tournaments. Atlantic City's casinos have hosted several esports tournaments, and on Monday, Stockton University officially opened its Esports Innovation Center, highlighting the growing involvement of colleges and universities in esports programs.

Scott Huston, a Stockton official, said a recent Rocket League tournament in which it participated had 50,000 online spectators.



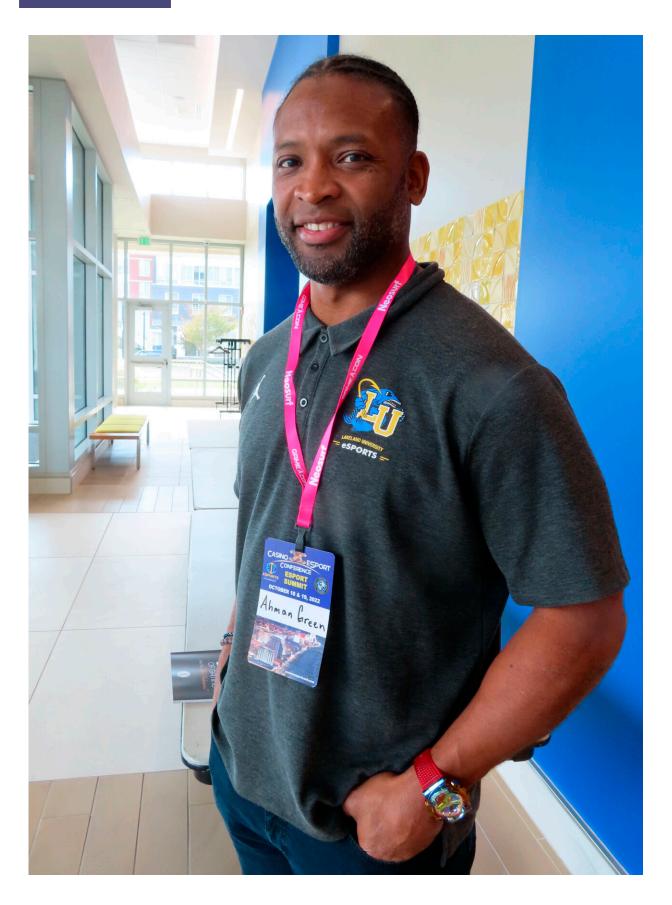
"That is more than any traditional athletic event Stockton has ever put on," he said.

Ahman Green, a four-time Pro Bowl running back with the Green Bay Packers, is now deeply involved in esports, including coaching the new esports program at Wisconsin's Lakeland University.

He said his NFL teammates would play competitive video games against each other to relax during downtime, but he developed a love for the games as a young child.

Green said 2020 was a watershed year for esports when most <u>professional sports</u> shut down for months in the early phase of the coronavirus pandemic.







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"People started finding stuff online they had never seen before," he said. "Their kids were playing video games. 'What's this Twitch thing?'"

Twitch, the online platform, has 3 million to 6 million people on it at any given time, said L. Anthony Gaud, an esports and media entrepreneur. That has vast potential to generate licensed gambling revenue as regulations evolve and expand.

"It's similar to online (casino) wagering: Instead of playing blackjack or poker, you're playing Angry Birds," he said. "That environment is coming. There's going to be a wagering angle, probably a large one. It's going to be a really big thing."

But the marriage of video game players and casinos has yet to be consummated on a meaningful scale.

Numerous conference speakers agreed that video game players are not generally content to rely on random outcomes that determine whether they win at something—the very bread and butter of casino games like slot machines or table games. Instead, they want to feel they have some involvement in the outcome of their bet, which is why video games offer a natural on-ramp for younger players at casinos.



Schorr said the industry should concentrate at first on attracting video game players where they live: online.

"It's good to fish where the fish are," he said. "They're online, not in the casinos. Start online, get them into the database before you bring them into the casinos."

Larry Ridley, a CBS Sports HQ anchor, hosts TV programming related to esports and routinely visits casinos around the country to try to interest them in adopting video game events.

"We do these activations where people see it and want to get involved," he said. "We have a station set up so they can create an account and play."

Anthony Strangia, a deputy attorney general with the New Jersey Division of Gaming Enforcement, said states need to ensure that video game contests are conducted honestly and transparently. Regulators in states including New Jersey and Nevada are currently considering changes to their gambling laws governing esports to make it easier to take wagers on events while ensuring their integrity.

"It's a growing field," he said. "There's definitely a future."

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