

AC Casino Revenue Below \$3B; 1st Time in 22 Years

Written by Administrator
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Atlantic City's casino revenue fell below \$3 billion last year for the first time in 22 years, as increasing competition in the northeastern U.S. continued to shrink the market.

Figures released Tuesday by the state Division of Gaming Enforcement showed the city's casinos won \$2.86 billion in 2013, down from just over \$3 billion in 2012.

It marked the seventh straight year of plunging gambling revenue for Atlantic City, which won \$5.2 billion in 2006. That was the year the first of what would become 12 Pennsylvania casinos opened, cutting deeply into a market the New Jersey resort town once called its own.

The casino saturation claimed its first New Jersey victim on Monday when the Atlantic Club Casino Hotel shut down, leaving Atlantic City with 11 casinos.

"Obviously it's disappointing to see another year where it's a decline," said Tony Rodio, president of the Tropicana Casino and Resort, and head of the Casino Association of New Jersey. "But hopefully with the addition of Internet gambling, I think you're going to see an increase in 2014."

The revenue figures showed the state's fledgling Internet gambling industry being dominated by two main players: the Borgata Hotel Casino & Spa, and Caesars Interactive, which together won \$6.1 million of the \$8.4 million that was taken in by the New Jersey Internet gambling sites over the final five weeks of 2013.

The Borgata, with its Party Poker online brand, took in more than \$3.7 million in online gambling revenue since Internet betting began in New Jersey on Nov. 21.

"Our network has attracted the largest pool of players in the New Jersey online market, allowing us to offer our customers a wide selection of games and table stakes at all times," said Keith Smith, president of Boyd Gaming, which owns half of the Borgata. "This gives our network a significant competitive advantage and positions us for further success."

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He also said the initial figures answer one key question, at least for the Borgata: whether Internet gambling will bring in new revenue, or simply cannibalize existing brick-and-mortar operations.

"When matching our online and land-based databases, we found that 60 percent of online casino customers had not been to Borgata in over a year, and over 75 percent had made fewer than two trips to Borgata in the past year," Smith said. "And on a combined basis, online and land-based poker revenue at Borgata was up more than 40 percent from our land-based play in December 2012. Clearly, online gaming is complementary to our land-based business, not competitive."

Caesars Interactive, which runs sites including the WSOP and 888 brands, won nearly \$2.4 million online from late November through the end of the year.

Other competitors lagged badly in the online market. The Trump Taj Mahal Casino Resort and its ucasino brand, won \$883,000. The Tropicana Casino and Resort won \$748,000; Trump Plaza Hotel Casino and its Betfair online brand won \$427,000, and the Golden Nugget, whose launch was delayed for weeks by technical problems, won \$179,000.

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