



Casinos & Online Gambling Industry





It is no secret that India is a nation that loves to gamble. Gambling is a terrible vice according to the ancient people in India, still this thing can be traced since the ancient times and it never really ceased in the country despite how it's still not yet legal in the country. However, the Indian laws do not prohibit the locals from gambling online.

Online gaming has been a huge part of the entire industry for quite a while now in the country. With the growing population and maximum of it being the younger ones has led to this growth in the online gambling industry.

The Indian players are indeed flocking offshore casinos and sportsbooks to place their bets and play their favorite games. Most of the Indian punters like to place their bets on cricket games, because cricket is simply a sport that the Indian locals are in love with.

India is a significant contributor to the global gambling market, it is still considered as a young industry compared to how other markets are doing in countries like the U.S., Canada, Europe and China. The Indian gaming market which is touching ~Rs 50 billion currently is expected to reach Rs 118.8 billion by 2023 at a CAGR of 22%.

The exponential rise in the Indian gaming industry can also be attributed to its parallel connection with smartphone adoption and growing internet users. The country had registered growth of 18% each year and it is expected that the number of internet users in to grow up to 730 million by the end of 2020.

Smartphones have become a commonplace:

Growing internet penetration with the advent of smartphones and easy availability of affordable data packs has provided a significant boost to mobile gaming market in India.

Easy to use gaming apps which are easily found on application stores have provided users with a wide variety to choose from.



Increased affordability of internet on phones:

The launch of Jio led to a price war amongst the telecom providers, ultimately benefiting the consumers. Data packs have become an ingrained part of mobile recharges due to the development of technology and growing affordability of Internet.





Steep decline in data access charges with growth in broadband and wireless connectivity are fuelling growth of the gaming industry.

Online gambling in India is in its infancy stage in India, developing speedily. There are many gaming software providers and casino affiliate sites, promoting casino type gaming.

Players have plenty of options to select from a massive selection of casino games such as online slot machines, blackjack, video poker, craps, roulette, and baccarat and local games such as Flish, Andar Bahar, etc.

Traditional Live Gambling

Live gambling in India is fairly popular and includes activities like lotteries, betting, various casino games, etc. Legality of these games in India varies from state to state and proper framework is put in every state with regards to operations in these businesses.



Not only do these businesses usually have the tendency of being around exotic holiday locations, but they also provide lucrative career opportunities for people with inclination towards the industry. Let's take Goa for an example.

A city quite popular as a holiday destination not only amongst Indians but also foreigners has a number of offshore casinos frequented by anyone willing to bet.

Casinos are always looking for new and interesting games for its customers, and game developers are recruited at high frequency for these jobs.

This is a fun and equally high paying job, with the added potential to fetch heavy royalties for someone who develops the most popular game.

Bookmakers

Betting is a multi-billion-dollar industry around the world and even India could soon see the regulation and legalization of the same. The Law Commission of India proposed to legalize sport betting in the country as early as May 2017.

Did you know bookmakers or odd traders are the most crucial people in the betting business? Their job is to play with numbers and create odds that encourage people to place wagers. Have you ever noticed the number that frequently pop up next to the scores while watching a football match on TV? They are odds that help people place bets and make profitable decisions while betting on the match.



These odds that you see are the work of an intelligent bookmaker. This is a unique work profile and betting companies pay handsome amounts to bookmakers as huge profits are yielded as a result of their calculations.

Poker

The booming popularity of poker in India cannot be doubted. Although there is a deficiency of a uniform legal jurisprudence on the matter, but more and more states through the medium of their high courts are conferring the 'game of skill' distinction on poker.



Due to this increased acceptance and recognition Texas Hold'em Poker has seen the mushrooming of various professions around it. From turning a full-time professional poker player, to being mentors to wanna-be pros, the interest and opportunities around this one single game is only set to increase.

New age Fantasy Games

A fantasy sport is a type of online game where participants assemble imaginary or virtual teams of real players of a professional sport. These teams compete based on the statistical performance of those players in actual games. This performance is converted into points that are compiled and totalled according to a roster selected by each fantasy team's manager.

Not all games are created equal. Like tangible products, some online games offer higher margins than others. So if a company can lure in users by offering attractive promotional schemes, it would be willing to compromise on its margins if it could redirect some of these users to other high margin games on its website.

We are speculating on the matter because unlike the online casino business, where adda52 dominates the market it's plotting to enter another lucrative segment—Fantasy League, the kind of "skill-based" game that Dream 11 pioneered (in India). According to a report in the-ken, the fledgling gaming segment already has about 70 incumbents.

Now, we don't quite know how the company intends to monetise the Fantasy League or the fee structure it's got in place, but our guess is that the platform could serve as an avenue for Delta Corp to redirect some of its users to other Casino games, where we know the company has plush margins.





Business and Sports Entrepreneurship

Entrepreneurship and sports management are two disciplines that have witnessed significant growth during the last decade. Change and innovation are key to both, and for all reasons discussed above, the gaming industry in the country is set to undergo a paradigm shift rather soon.

Due to the same, this time has been identified by many as the perfect time to set up sporting, especially gambling, related business ventures. If you closely follow the poker circuit in the country, you must surely be already surprised by the number of new ventures. That is because this is a fairly new trade, and one with immense potential.

Entrepreneurship possibilities in the gaming sphere are immense in India. **Like most online operated gambling companies are registered in Sikkim or West Bengal which make it possible for them to register and obtain licenses for online games.** Likewise, Nagaland also facilitates setting up of online gambling companies and is the new hub for the same.

“Gaming–India Story”

The gaming industry in India is estimated at \$60 billion per year and is expected to rise with the growth of online gaming and internet penetration in the country.

Though there is a strong appetite for gaming in India, restrictive laws have curbed the growth of the industry – 12 states offer lottery, 6 states allow horse racing and only 2 states (Goa & Sikkim) and 1 union territory (Daman) allow casino gaming.

India’s online gaming industry has already attracted \$350 million in investments from venture capital firms between 2014-2020. India is the second-largest market worldwide for app downloads.

According to a report “Gaming–India Story” released by boutique investment bank Maple Capital Advisors, the investment in the

industry is expanding at a compound annual growth rate of 22 per cent and is currently valued at \$930 million. The bank expects the industry to grow at 41 per cent annually due to the growth of digital infrastructure and substantial rise in quality and engaging gaming content.





There are three main categories of gaming in India- real money games (RMG), mobile centric or casual games and E-sports. There are 300 million online gamers in India, and the number is expected to grow at 47 per cent by 2022.

The top online games in India are Teen Patti, Coin Master, 8 Ball Pool, Teen Patti Gold, PUBG Mobile and Candy Crush Saga.

The key e-sports based gaming firms are Dream11, MPL, MyTeam11, Halaplay and 11wickets. Key RMG players include Ace2Three, RummyCircle, Adda52, Pokerbaazi, and Pocket52.

The impact of Covid-19

The impact of Covid-19 related lockdown has been different for different gaming firms. "Between the weeks of Feb 10-16, 2020 and March 16-22, 2020, visits to online gaming websites or apps increased by 24 per cent. Engagement, as measured by time spent on gaming sites or apps, increased by 21% during the same time period," the report found.

With no other sports in play in the current scenario people who are addicted to gambling and also the ones who used to do this for fun by placing bets on live sports are shifting to the online e-sports like casino games which is gaining further attention and is growing at a much faster pace during current times.

There are over 400 gaming start-ups in India and the number of fantasy sports operators have increased by 7x over last few years, whereas the number of users has grown by over 25x from June 2016 to February 2019.

E-sports has also shown strong user growth but lags in profitability. Real Money games have shown substantial growth and profitability and are now ready for diversification.

The key trends in the Indian gaming space are multi player formats increasing, investors showing more interest in Indian gaming start-ups, more and more people considering gaming as a career and increase in consumption and creation of local Indian gaming content.

But if we talk about the future aspects of the casino industry in the country there is a certainty that the industry will grow but not at the pace at which it is growing during the current times. Further adding on the sporting events around the world starts people will again shift their focus on those and will start placing online bets which will see a more tense growth on the casino market online.

