



Online Poker in North America: A Syndicated Study



Background and Objectives

With the game's history attributed to everyone from the French, the German, and the English, to its growth in popularity throughout the US in the 1800s credited to Mississippi riverboats, poker has long had a colorful history.

Poker's ascent into the mainstream is largely attributed to the World Series of Poker (WSOP), which started in 1970 at Binion's Horseshoe and took place with seven players. Over thirty years later, the 2006 WSOP is a 47 day event featuring 45 different poker tournaments. The top prize in the feature No-Limit Hold'em Championship is expected to be close to \$10,000,000. The number of 2006 WSOP participants is expected to surpass the 32,341 entrants in 2005. This phenomenal growth is credited to two key factors: (1) mainstream television coverage of WSOP (and other poker events); and, (2) the rapid proliferation of online poker sites.

In retrospect, it is obvious that the Internet and poker would be a match made in gambling heaven. For those looking to take up the game, the very nature of the Internet (anonymous, 24x7, and global) made it the perfect place to learn, hone one's skills, and make the leap to playing for real money.

But this is not to say that making money with an online poker site is as easy as "build it and they will come." With hundreds of poker sites in operation and new sites constantly being launched – which will survive, and which will thrive? Much like the early days of e-commerce, the industry is certain to face consolidation. And those with powerful brands, strong differentiation from competitors, and exceptional features and customer service will likely survive and thrive.

It is becoming increasingly important for online poker sites to understand their competitive advantages, and to develop a strategic brand positioning that differentiates themselves from other gaming experiences. Thoroughly understanding your target market and their preferences, attitudes, and behaviors is critical knowledge in helping you put together your marketing and communications program to attract more people to your brand.

Through a syndicated shared-cost study, Ipsos Reid is able to provide online gaming companies with a cost-effective way of getting relevant information from your current and potential market. Our inaugural *Online Poker in America: A Syndicated Study* was a great success in establishing benchmarks within the industry such as sizing the market and its potential for continued growth, exploring players' habits and what other poker and online gambling activities they participate in, and understanding what potential players see as barriers to play. Our 2006 wave of this study, *Online Poker in North America: A Syndicated Study* will compare findings against those benchmarks established in 2005 (for the US component of the study) and determine the impacts of recent political activity in this arena (i.e. Goodlatte, Kyl, and Leach bills).

This wave of the study will also gather new information with respondents from both the US and Canada, and is must-have information for any online gaming company that is interested in learning of its competitive position in the North American marketplace.

Ipsos Reid will set the record straight with the *Online Poker in North America: A Syndicated Study*. Specific objectives of this study include exploring:

- Awareness and visitation of online poker sites;

- Favourite sites and why;
- Share of wallet;
- Awareness of advertising/promotions for various sites;
- Assessment of poker sites' strengths and weaknesses relative to its competitors;
- Motivators for playing online poker for real dollars;
- Likelihood of playing poker (for fun or money) among non-players, and barriers to playing;
- Barriers to real-money playing among current 'for fun' players;
- Loyalty to existing sites; and,
- A demographic profile of players as well as customers for each site.

Methodology

A total of 1,000 American Internet users and 1,000 Canadian Internet users (defined as an adult who uses the Internet for at least one hour per week) will complete an online questionnaire (field dates TBA; aiming for mid-April 2006). Respondents will be chosen at random from the Ipsos i-Say Internet Panel, which is comprised of more than 600,000 randomly recruited Internet users across North America.

To qualify to complete the questionnaire potential respondents will have to indicate that they partake in at least one form of organized gambling, which will include everything from purchasing scratch and win tickets to playing casino games online for money.

A quota will be put in place to ensure that at least 500 respondents in each country play poker online for real money.

A sample size of 1,000 provides a margin of error of $\pm 3.1\%$, 19 times out of 20. A sample size of 500 provides a margin of error of $\pm 4.4\%$, 19 times out of 20.



Did You Know?

- The vast majority of poker players and those with an interest in poker are watching poker events on TV (81%);
- Online poker players indicate that the greatest factors influencing their decision to start playing poker online were word-of-mouth from friends or relatives, watching poker tournaments on TV, sign-up incentives at the online poker websites, and their own experience playing poker offline; and,
- Half of non-online players strongly agree with the statement "I'm concerned about the security of giving credit card information at poker sites."

Timing

We estimate that we will be in field in early May 2006. Accordingly the timelines will fall out as follows:

- Questionnaire design: April 2006
- Fielding: May 2006
- Data analysis: May 2006
- Report writing: June 2006
- Report delivered: June 2006

Deliverables

We will provide the following deliverables:

- Detailed tables with essential cross-tabs;
- A detailed 60 page presentation report in PowerPoint format; and,
- 1–2 hour teleconference presentation (i.e. GoToMeeting)

Our Research Team

The most senior members in this sector within Ipsos Reid designed this project, will write the presentation report, and will deliver the teleconference presentation. This team includes:

- **Paul Lauzon** is Senior Vice President & Managing Director of Ipsos Reid's Gaming and Lottery Division. Paul is responsible for a variety of customized quantitative research programs for various online gaming entities and state lotteries in Florida, Minnesota, Connecticut, Texas, Oregon, Montana,

Idaho, Wisconsin, Louisiana, Indiana, California, Maryland, and Nebraska. He has worked extensively on Internet studies, concept testing studies, segmentation studies, segment tracking, corporate image, customer satisfaction, and evaluation studies, as well as product testing campaigns using advanced analytics such as discrete choice modeling, paired-choice analysis, and different segmentation algorithms. Paul regularly presents at various NA and International conferences on gaming and lotteries.

- **Chris Ferneyhough**, Vice President, Technology Research. Chris has been with Ipsos Reid for over nine years and is one of the company's most senior researchers on consumers and new technology. Chris will develop the design and content of the report, as well as interpret the results.
- **Jason Walker**, is a Research Manager with Ipsos Reid's Gaming and Lottery Division. Jason has managed day-to-day activities on a number of online gaming studies and lottery studies.
- **Steve Mossop**, President, Market Research Canada West. Steve has been in the research industry for 15 years and spearheads the company's telecommunications, Internet and high-tech research efforts. Steve is a sought-after speaker on Internet and e-commerce trends. Steve will provide senior level insights into the questionnaire design and reports.

Pricing

A full subscription to the *2006 Online Poker in North America: A Syndicated Study* is \$7,000 (USD) and includes both US and Canadian results.

Country specific reports (i.e. US only or Canada only) will be available for \$4,000 (USD).

Subscribers who commit to the study during April 2006 will have the opportunity to provide input on the questionnaire. Additionally, early bird subscribers will have the opportunity to add proprietary questions to the

study at a cost of \$1,000 (USD) per closed ended question and \$1,200 (USD) per open ended question.

For those clients wishing to have an in-person presentation and working session, this will be an additional cost of \$2,000 and travel billed extra at cost.

Contact Information

For more information about this study, please contact:

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About Ipsos Reid

Ipsos is one of the top three survey-based research companies in the entire world, and North America's fastest growing research company.

Ipsos member companies offer expertise in advertising, customer loyalty, marketing, media, and public affairs research, as well as forecasting, modeling and consulting. Ipsos has a full line of custom, syndicated, omnibus, panel, and online research products and services, guided by industry experts and bolstered by advanced analytics and methodologies.

With 20 years of experience conducting gaming marketing research, our Lottery and Gaming team has earned an international reputation for producing the total market intelligence required to build strong business strategies. We employ a broad range of methodologies to support an even wider range of research approaches: market segmentation, game development research, marketing communications, and public policy reviews.

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