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Big Debate  
New Jersey

# Big Debate

## This month we ask:

Is being a native brand still a prerequisite for success in New Jersey?



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**W**hile international brands can make their mark in the New Jersey market, for now, it appears that native New Jersey brands continue to dominate.

The attraction to native brands can be attributed to many factors. Topping the list is trusted brand recognition – New Jersey residents recognize and trust these brands simply based on their physical presence in the state. Some international brands struggled to regain traction after their absence from the market post-UIGEA. In their

absence, native brands continued to build goodwill among New Jersey residents, who were more trusting of local casinos they knew and could physically see.

Given this brand recognition, native New Jersey brands have a leg up on international operators in terms of marketing. Marketing a native brand is a much simpler proposition than marketing an international brand. Native brands have the advantage of physical location in the state – meaning that advertising online gaming within their brands is simply a matter of expanding their already-present marketing efforts, such as adding new billboards and posters advertising their online offerings.

The continued preference for native brands is not a phenomenon unique to

online gaming in New Jersey. Consumers in other industries – such as the retail industry – demonstrate the same type of loyalty to brand names, opting from brand names to their generic counterparts often despite significant price differential.

Although this type of consumer trend may continue in other industries, in our sector, international operators continue to make significant strides in gaining a stronghold. As the market matures and players naturally progress from site to site, native brand recognition will be secondary to player experience, and the market will even out. To maintain their grip on the New Jersey market, native brands will need to “up their game” in marketing efforts and player offerings to be able to compete. ●

**Chris Capra**  
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**A**t the onset of legalized online gambling in NJ, native casinos had a definite advantage in the market due to their strong brand recognition, decades of operation in the state and ready-made databases of customers to market their online offerings. Today things are different.

Four years into online gaming in NJ the market is a very different place: Awareness of online gambling is greater as is the trust factor as players have become more comfortable engaging in

these activities online. For instance, in January 2015, 15 months after launch, the most often asked question was still, “Is this legal?” Fast forward to 2017 and we’ve seen continued success and growth of online gambling, general reliability of the software and a relative lack of controversy (underaged gambling, fraud, etc).

Lower marketing costs: The first movers really paved the way in NJ but did so at a huge cost. Tens of millions were spent on advertising campaigns to build broad-based awareness in the market. With fewer hurdles to overcome today, new movers can keep their marketing costs relatively low by using online targeting, audience segmenting, social media

advertising and even direct response mail. The money they save on marketing can be put into promotions and player rewards and get them to profitability faster.

A developed affiliate channel: When NJ launched online gambling it did so without a strong affiliate channel. Those of us who have worked in online gaming know how important strong affiliates are to reaching and building a customer base. It took the DGE a while to adjust their regulations to allow for more traditional online affiliates to work effectively in NJ.

The recent spate of new, non-NJ based brands opening their “doors” online and seeing various levels of success is a reinforcement of where the NJ market is today. ●