# Pestel analysis of gambling and tourism tourism essay essay sample

**Sport & Tourism** 



In the last half of the twentieth century, the first location for gambling tourism was established in Nevada, U. S. A. The distinctive of this tourism is a combination of the peculiar geography of Nevadan region with the benefits of the federal system and their own individualistic esprit to form a prosperous economy. The development of the gambling industry became the main growth factor for Las Vegas and Reno until the present time.

Underlying this new economy is the evolution of the tourist business, stimulated by the expansion of legalized gambling. After much ambivalence to social policy for the first seventy years, Nevada then led the way for the next fifty years in making acceptable, a business that was widely regarded elsewhere as socially improper (Hulse, 2004). As the number of jurisdictions offering gambling tourism increases, both the response of potential tourists and the response of competing destinations will change. Gambling has long been recognized as a tourist attraction.

Gambling first played a significant role at the spa resorts of the 18th and 19th centuries (Sethi, 1999). Members of the elite who frequented these resorts demanded amusements to occupy the time between treatments. The foundation of gambling amusements consist of food, socialization and games. Las Vegas is the prime example of gambling tourism, where the central interest of gambling is surrounded with a host of tourist activities. To describe the growth of gambling tourism, it has been based on the elements of providing the activities in the same area where the gambling is located. Casinos and other gambling facilities are mainly treated as part of touristic entertainment culture and as products for promoting tourism (Cochrane,

2008). In particular, the explosive growth in gambling in Macau is based on the pent up demand for gambling outlets from the Mainland Chinese.

Moreover, Singapore is the latest country announcing plans for the introduction of gambling tourism by the construction of a huge casino and associated gambling facilities (Conrady & Buck, 2008). In their book "
Tourism in Destination Community" Singh S., Timothy D. and Dowling R.
(2003) outline that a typology of Tourism-Host Community Relationships.
This typology is based on assessing the relationship that exists between tourism and the destination community. There are four possible theories are win-win, win-lose, lose-win and lose-lose. Gambling Tourism is categorized in lose-win.

The reason for this is the community loses while tourism gains the benefits. The side effects of gaming or gambling are the fabric of communities both in physical terms of areas which are pulled down to make way for more casinos and also the increasing social problems such as addiction and crime. Conversely, tourism gains as all inclusive packages of gambling, entertainment, shopping and accommodation are offered to potential visitors. This assessment will attempt to show the STEEP analysis of the current gambling tourism. Then it will look into a possible three scenarios with critically assessment based on time which is short, middle and long range future. Finally, the conclusion will explain stakeholder responses for sustainability of gambling tourism. Proofread and Marking ServiceEssay Writing Service

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### 2. STEEP ANALYSIS

## 2. 1. Social Impact

For many people, gambling could be lawful part of their leisure and recreation activities where most of them are becoming gamblers who have a responsible manner and enjoy gambling as entertainment (MCG, 2008). On the other hand, this kind of entertainment could be a cause of serious problems for themselves which impact on their families and the community. Regarding the social impact of gambling tourism, the activity often has been associated with organized crime, domestic violence, health problems and bankruptcy which may impact on both the local people and tourists from their addictive behaviors (Ivanova & Atanasova, 2009). From the negative perceptions of gambling tourism among local residents and tourists, they can be divided into the impact on individuals and the impact on relationships as follow (AIGR, 2001): Impacts on individuals

The first impact is crime and health problems. Gambling is definitely vulnerable to crime, of which the major crimes might be fraud and money laundering and less major crimes could be cheating and begging. The range of crime can start from petty theft, shoplifting, forging signatures for financial gain, to robbery, embezzlement, misappropriation, drug trafficking, burglary to armed robbery. Loan shark lending has also been established as having a significant relationship with gambling related criminal activity such as physical harassment and violence being directed towards the gambler. For the health problems, gambling has been negatively associated with a variety of personal ailments such as depression, anxiety,

suicide and general ill-health. For example, in 1999 Australian national client survey found the following results in relation to people with gambling problems as (AIGR, 2001):

- 95. 6% suffered from depression;
- 57. 8% seriously considered suicide due to gambling;
- 13. 6% attempted suicide;
- 99% suffered from guilt due to gambling; and
- 97% had control problems, that is, they would 'like to stop but can't'.
   Impacts on relationships

The second impact is the affects of problem gambling on interpersonal relationships with parents, children, partners, friends, work colleagues, and the general community. Some of the main difficulties problem gamblers have experienced in their inter-personal relationships are, not having enough time for family, the break-up of relationships, break-ups leading to be split-ups, losing contact with children, violent behavior due to gambling and family arguments over money. 2. 2. Technological Impact

Technological developments in gambling are rapidly growing in prevalence around the world. The aim of the developments is to make it convenient to gamblers and easier to access betting games. Nowadays home gambling is preferable for gamblers. Due to the fact that there are several gambling technologies which offer more options, opportunities and temptations. The most distinctive would be online gambling on internet. The nature of cyberspace, has no geographic boundaries. Therefore a player can stay at home and conduct cross-border gambling with server who is located in other

countries. The advent of online betting is to provide a variety of games such as blackjack, baccarat, and roulette as well as sports betting and to participate in lottery draws. Moreover, players can enter the virtual casino very easily by personal computers for leisure activities, prizes or money. Proofread and Marking ServiceEssay Writing Service

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While gambling opportunities are expanding by internet technology, the effects may stimulate an increasing demand for gambling services.

According to the Australian Institute of Criminology: Trends & Issues in Crime and Criminal Justice (1998) has identified that cyber betting reduce the income of location based gambling industries in terms of detrimental consequences for employment in hotels and clubs. Another possibility, online gambling often occurs in an unregulated manner and effects the feeling of security for the players. However, there are increasing secure on-line financial transactions. Then again, the present trend of Internet betting is casino-style. As a result, many gambling operators are located in countries with relaxed or nonexistent gambling legislation and tax regulations such as Liechtenstein, Antigua, the Cook Islands and the Dominican Republic (Grant Chapman, 1998). 2. 3. Economic Impact

In every country that has gambling as a legal industry there are both positive and negative effects in the economic impact because the government gets revenue from the tourism, but they also have to take responsibility for the negative effects. For the positive impact, there is an increase in economic development, increase employment, tax revenues, and also increase the

number of tourists who accept gambling has become their leisure activity. Governments have to support the development of the gambling industry as driven mainly because of economic need and the generated taxation revenues (Ivanova & Atanasova, 2009). Many countries have made gambling a legal industry because they can benefit from gambling which can be highly profitable. To point out that it creates employment, provides high revenues through generating additional taxation and leads to improvement in infrastructure are all positive effects of many countries that are supporting gambling tourism development (Pahor, n. d.).

For example; in the case of Atlantic City, New Jersey, in the United States, the primary purpose of casino gaming was to redevelop the tourist and convention facilities and to improve the infrastructure and tourism capacity (Dunstan, 1997). On the other hand, the negative effects that gambling is closely related to crime, social pathologies and social interruption which government has to respond to with all these effects (Pahor, n. d.). From all these reasons, they show why the heavy social and economic damages caused by the casinos should not be undervalued. For instance, the statistics from Nevada, whose economy is extremely dependent on the gambling industry, are alarming. It has the highest suicide rate in the USA, the highest accident rate (per mile driven) and also the highest rates of crime and school drop out (IVLV, 2010). The legality of the gambling industry and the growing access such as facilities in the current decade has also presented a significant health threat to the local population, mostly in the gambling addiction group. The Australian Productivity Commission research found that the health and social costs of gambling can include (AIGR, 2001):

- Financial costs (family debts and bankruptcy)
- Effects on productivity and employment
- Crime (theft, court cases and imprisonment)
- Personal and family impacts (divorce and separation, depression and suicide)
- Treatment costs.

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### 2. 4. Environmental Impact

It is essential to examine how the environment is influenced by the gambling sector. For creating a sustainable tourism gambling sector, it is necessary to begin close cooperation with the Environmental Planning Group (EPG).

According to Roe, Leader-Williams & Dalal Clyton, "EPG is focused on environmental planning, resource management and utilization issues". This organisation is oriented "on policy-making processes and strategic planning for sustainable development" (Roe, Leader-Williams & Dalan Clyton, 1997).

Moreover, the environment should be monitored continuously as the changes which may occur due to misuse of resources may lead to serious natural disasters (Miller and Twinning-Ward, p. 51). There are famous gambling places in the world such as Nevada, Atlantic City and Monte Carlo. The last city is described by McMillen, 2005 as "a model for stimulating regional development which fuelled the proliferation of resort casinos throughout Europe" in the middle of 19th century.

As gambling attracts wealthy people, it "provided a boost to the growth of tourism facilities and infrastructure" (McMillen, 2005, p. 243). Since that time https://assignbuster.com/pestel-analysis-of-gambling-and-tourism-tourism-essay-essay-sample/

the Rivera became a famous place for both rich Europeans and Americans to spend their holidays gambling. As an example the Casino de Monte Carlo became world famous and even "the most profitable casino" (McMillen, 2005, p. 243) in the whole of Europe. Nevada is the most famous gambling place on the western coast in U. S. A., for example, casinos in Nevada offer "full-service resort style" holiday (Report to the Nevada Department of Human Resources, 2002, p. 13). According to the California Research Bureau, 1995, it was the first city in USA where casino gambling was legalized. (Appendix 1) In comparison with Nevada, Atlantic City is known as the gambling city on the American east coast. The gambling industry in Atlantic City had its inception in 1978 (Braunlich, 1996). This year went down in history as the "end of Nevada's virtual monopoly of casino-style gambling" (Shonkwiller, 1993).

# 2. 5. Political Impact

In terms of gambling in a reversal of American values, this refers to an ideology of hedonistic consumerism (McMillen, 1996). Therefore gambling tourism as a part of the tourists feelings should be independent of other recreational activities. However, the real gambling industry around the world is controlled by laws, regulations and policies in each destination. In the book "Gambling: Views from the Social Sciences" by Frey, James H. and Eadington (1984) has also identified that restrictions in gambling are created by laws, for the purpose of protecting the weak minority of compulsive gamblers, as well as, to limit the freedom of choice of the majority. Furthermore the forms of gambling, for instance, lotteries, wagering on

racing and charitable gambling are associated with the impacts of local markets, tourism and tourism development especially casino gambling (Pearce & Butler, 2002).

Due to the fact that a casino operation is related with several national and state jurisdictions. In a part of the local community, gambling represents the ultimate in export-based activities such as appropriating local taxes from casino operators and the direct, indirect and induced impacts of local casino based expenditures. The division of national or government responsibilities also related with the import of tax income and re-exportation of the all negative externalities (Felsenstein & Freeman, 2002). These involve gamblers and the nation, for example, gambling induced-addiction, bankruptcy and reduced productivity. Proofread and Marking ServiceEssay Writing Service

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## 3. 1. The Short Range Future (next 5 years)

The present society acceptance of gambling is a legitimate customer pursuit. In addition there are many newly increased technologies aimmed at bringing gambling into the home. As a result, the future of gambling becomes more localized and less tourist-oriented (Pearce & Butler, 1999). 3. 1. 1 The history of next generation technology

In the next 5 years, gambling, internet and touch screen television will be making a new modern world history for the next generation together (Hofex, 2008) which has developed from online gambling tourism and hi-technology https://assignbuster.com/pestel-analysis-of-gambling-and-tourism-tourism-essay-essay-sample/

facilities. Due to the fact that gambling as a popular leisure and recreation activity coupled with technology which is changing all the time, Interactive touch screen television (ItouchTV) is a convenient facility for betting activities from the comfort of both local communities and tourists places where there are hotels or airplanes. Wherever they are in the gambling tourism destination, Interactive touch screen TV gambling could allow gamblers to place bets by using their fingertip and also directly from their accounts accessed while playing in the casino.

Interactive betting through this service is available for every debit and credit world wide accounts such as AMEX, Visa, Master Card and PayPal which account holders can also manage their account, deposit funds and check transaction history on ItouchTV (Commonwealth of Australia., 2009). ItouchTV will be developed in every types of interactive gambling include normal events like singing contests or the Oscars through digital pay television and digital free-to-air television service of these gambling destinations. 3. 1. 2 Critical Assessment for Sustainability

Combined with modern technology and sustainable tourism, it can be predicted that addictive behavior will develop for the next generation of gamblers. As gambling and hi-technology TV prepare for a shared future, the number of young gamblers will be increased rapidly because of the ability to access technology at their place easily whether they are local people or tourists. The future social problems will be over represented by gamblers who are under 30 years (Chapman, 1998) because this group of people are fascinated by computer technology and highly literate in its application.

Although new modern gambling tourism will much more popular to the next generation of gamblers, it is a new challenge for the government and the private sectors to minimize harm from addictive behaviors and the future social results by offering service providers the abilities of self-exclusion or self-setting betting limits and set the regulation to control the future impact. Under the act, the effectiveness of regulation in the term of prevention and treatment program will be affected to the number of youth gamblers, social gambling impacts and high number of addictive behaviors which all of them have to be decreased. 3. 2. The Middle Range Future (next 10 years)

To enhance a trend of gambling at home, the gambling industry needs to provide an innovation. This is the reason why there is a variety of new betting games development on the internet to satisfy different customer needs. Whereas gambling forms would not provide a novelty experience if the government had a monopoly ownership in the gambling industry. Proofread and Marking ServiceEssay Writing Service

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3. 2. 1 Government Gambling versus Privatizing Gambling
At this point in time, there are many countries which have granted
themselves a monopoly over the gambling marketplace. There are
government monopolies of gambling operations and the quality of gambling
tourism industry by limiting competitors and maintaining high prices.
According to National Gambling Impact Study Commission (1999a) identified
the government determines the level and type of competition to be
permitted such as granting, amending, and revoking monopolies, and

restricting or enhancing competition almost at will. These are also the keys determinants of various industries potential profits and losses. This paper agrees with this and believes consequently it is to limit entrants to a marketplace and new customers can be eliminated. Moreover, private enterprises with diminished competition have reduced incentives to offer a variety of gambling services.

It may effect the quality of the products as well. Generally, governmentowned gambling operations maintain the objectives for the good of the
public. It contrasts with regulations and the principle beneficiary of gambling
activities. Due to the fact that the increased public demand also affects high
social spending, this pressures governments to spend more of their budgets
without increasing personal income taxes. Furthermore, the government
would be responsible for the investment budgets of gambling business.
While the gambling business is not always successful, so the government
risks financial losses.

In addition, legalized gambling tourism should be conducted by the private sectors in the future. Because non-government firms have strong incentives to provide better services at reasonable prices. Therefore privatizations lead to better efficiency and the wider availability of products and services. If being unprofitable or closing business, investors ought to be responsible for all losses. In order for business ventures to operate at the expense of the taxplayers, companies must provide reasonably priced products to customers. Alternatively, government is not responsible for any risks of business operations. 3. 2. 2 Critical Assessment for Sustainability

It cannot be denied that government performance is a significant influence for gambling tourism sustainability. There are three possible ways to manage gambling industry. Firstly government may enforce more gambling prohibitions by policing and legislation. Secondly government may permit the operation of private social gambling and open to overseas investment. Thirdly government owns and operates gambling operations as public enterprises. This paper believes public enterprises can enhance gambling industry efficiently in the next 10 years. Casinos in The United States, for example, are organized privatisation as public enterprises: owned by government and operated by the private sector such as casino gaming on ships, casinos on Indian reserves and a combination of destination and casinos which offer a variety of amenities including accommodations and entertainment (Basham & White, 2002). The Long Range Future (next 20 years)

Nowadays space tourism is not science fiction any more but a luxury leisure activity for the wealthiest people on the planet. It is not only an expensive journey for so-called space tourists but also "an important new target for the space industry" (Collins, 2006). Collins, 2006 predicted that "at a growth rate of some 100, 000 passengers per year, the business could reach 700, 000 passengers per year by 2017, at a price of about \$25, 000 per a passenger". Proofread and Marking ServiceEssay Writing Service

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Taking into consideration the long-term scenario, 20 years from the present time, " tourism activities could have grown to a scale of \$100 billion per

year" which would create millions of job (Collins, 2006). Space tourism will play major role as this recreation activity will bring around "\$1trillion greater than the value of continued taxpayer funding of space agencies' activities without developing space tourism" (Collins, 2006). Thus, it is clearly seen the huge capacity for space tourism market. Moreover, the long-term prediction is based on the assumption that gambling will work closely with space tourism industry. Commercial space passengers will have the opportunity to get access to gambling facilities while they are travelling in the cosmic expanse.

Future aircrafts will be equipped with the most modern gambling machines and also there would be interactive connection with the Earth planet which will allow the opportunity to space tourists to bet on the races (as example) being held somewhere on the Earth. This prediction is realistic as human nature has a "natural penchant to play, risk and competition" (Griffiths & Delfabbro, 2002, p. 5) as well as gambling gives the opportunity to escape from the routine everyday life and take on a new role. In addition most of the wealthy people will always be looking for new kinds of entertainment, so they will be satisfied with the new gambling's offer. 3. 3. 1. Critical Assessment for Sustainability

The major stakeholders such as space tourism association should create efficient sustainable tourism system which will guarantee the harmonious development of space tourism avoiding of severe abuse of space. Also innovations should be implemented gradually and consciously. There are should be no desire to get large revenue as the main goal for space tourism

association must be sustainable space study. The reason of organising space tours should be the opportunity to promote the space to the masses. Community should be more educated about space as space tourism may get people interested to learn more about that sector which is still unexplored. Conclusion

In conclusion, gambling Tourism has a long history development since twentieth centuries. Although gambling is a public acceptance as recreational activities, but the effects of betting tourism are still controversial issues. The main dilemma of gambling can be analyzed into social, technology, economic, environment and political impacts. Social problems affect both individuals and relationships, for instances, depression, suicide, losing contacts with friends and family. A part of technology analysis, globalization has a big influence of technology development. Gambling at home is a preferable trend of customers, which stress on internet or online betting. The consequence of cyber betting is to reduce the income of location based gambling industries in term of detrimental consequences for employment in hotels and clubs (McMillen, & Grabosky, 1998).

Alternatively, gambling industry boosts the nation economy tax revenues, increasing amount of tourists and also provide a large numbers of jobs. This reason why government enlarge gambling services to be more attractive especially focusing on environment in term of location and atmosphere by gathering amenities, hotels and entertainment. While political impacts can restrict gamblers pursuits by policies and regulations. Because restrictions of

gambling are created by laws for the purpose of protecting the weak minority of compulsive gamblers as well as limit the freedom of choice of the majority (Frey & Eadington, 1984). Proofread and Marking ServiceEssay Writing Service

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According to STEEP analysis as above, three possible scenarios were predicted based on time which is consists of short, middle and long range future. The short term prediction believes the next 5 years tend is still home gambling. And also technology development on gaming is prevalence around the world namely Interactive Touch Screen Television (ItouchTV). People will gamble directly on television at home, hotel or airplane. As a result, the future of gambling becomes more localized and less tourist-oriented (Pearce & Butler, 1999). While a number of young gamblers are rising as well as social problems such as bankruptcy, depression and gambling addiction. For the middle future assumption, privatizing gambling would be occurred in the next gambling industry. Due to the fact that the efficiency of private sectors can enhances this industry for sustainability. With novelty experiences of privatization offer difference services which satisfy more customer needs, comparing the former management of government monopolized gambling industry.

In spite of this, organizing privatisation as public enterprises would be the next 10 years of betting tourism management which refers to owned by government and operated by the private sector. A joint tourism between space and gambling is possibly exposed in the next 20 years. Due to a

growth rate of space tourism prediction, it illustrates there are 100, 000 passengers per year, the business could reach 700, 000 passengers per year by 2017, at a price of about \$25, 000 per a passenger (Collins, 2006). Then again, the reason of interactive touch screen technology could provide a possibility of space gambling, for example, gambling in a rocket. Over all, the distinctive stakeholder of gambling tourism is government. The reason of this is gambling industry is related with laws, regulations and policies directly. Furthermore, betting business is an ethical issue of individuals and society. Although there are many benefits of this tourism, but also there are several side effects especially social problems as above. This reasons why to do business in gambling tourism industry, will need to consider carefully.

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