

Moneymaker effect and his marketing impact to poker boom

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Abstract: This article deals with areas that have been booming in recent years. This is the area that is currently very popular among people of different ages and genders. This game is currently enjoying great popularity, both live version and online version also. It highlights a number of factors that helped this development. Separately points out to the Moneymaker effect that stood in 2003 at the birth of this boom. In the WSOP Main event examples (which is the most popular tournament of the year) clearly points to a rapid increase in this area. There is a lot of money being spent on poker, and that's why it's a hilarious opportunity for investors.

Keywords: moneymaker effect; boom; poker; WSOP

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1. Introduction

The poker boom was a period between 2003 and 2006, during which poker, primarily no limit Texas hold 'em, but also other variations, became considerably more popular around the world. During the boom years the online poker player pool at least doubled in size every year. Two specific 2003 triggers completed the launch of the poker boom. In the spring of 2003, the World Poker Tour's inaugural season debuted on the Travel Channel on American cable television. The impact of the boom was escalated in May 2003, when amateur Chris Moneymaker won the 2003 WSOP Main Event. Chris Moneymaker won his seat via a \$39 satellite tournament on the PokerStars online poker room. Moneymaker was one of 839 entrants in the 2003 event, an increase of roughly 200 players from 2002 and almost doubling the 393 competitors that played in 1999. By the next year, the field in the 2004 Main Event more than tripled to 2576 players. By the 2006 Main Event, there were 8773 competitors, some 14 times as many as had entered the last 2002 pre-boom Main Event.

2. Literature review

The history of Poker is thought to have evolved over more than ten centuries from various games, all involving the basic principals of ranked card or domino combinations and the use of 'bluffing' to deceive opponents. One popular belief is that a game similar to poker was first invented by the Chinese sometime before 969 A.D, when The Emperor Mu-tsung is reported to have played "domino cards" with his wife on new years eve (Parlett 1991).

A French game named "Poque" and a German game named "Pochen" became very popular in the 17 & 18th centuries, both developed from the 16th century Spanish game called "Primero" which involved three cards being dealt to each player. Bluffing, or betting high stakes whilst holding poor cards to deceive opponents, was an integral part of the game. Primero dates back to 1526 and is often referred to as "poker's mother" as it is the first confirmed version of a game directly related to modern day poker (poker.com).

French colonials imported the game to the new world when they arrived in Canada. Their beloved poque was the national card game of France and from the beginning of the 18th century, when a hardy group of French-Canadian settlers founded New Orleans, it spread from the state of Louisiana up the Mississippi river and then throughout the whole country.

In 1834, Jonathan H. Green made one of the earliest written references to poker when in his writing he mentions rules to the "cheating game," being played on Mississippi riverboats. The "Cheating Game" quickly began to supplant the popular cardsharp game of 3-card monte on the gambling circuit. Gamers embraced the new game as it was perceived as a more challenging and 'honest' gamble than the notoriously rigged 3-card game. Green took more than a passing interest in the new game and took it upon himself to formally name and document the 'Cheating Game' in his book 'An Exposure of the Arts and Miserie of Gambling': Poker was born (Warren 2010).

During the Wild West period of United States history, a saloon with a Poker table could be found in just about every town from coast to coast. It was extremely popular during the Civil War when the soldiers of both armies played. European influence of poker ended when the joker was introduced as a wild card in 1875. In just over two centuries, poker has never looked back. Since its humble beginning on the banks of the Mississippi, the popularity of this widely played game has grown in leaps and bounds to evolve numerous variations and sub-variations (poker.com).

There are many variations of poker, but mainly Texas Hold'em dominated the moder poker scene. Texas Hold'em, christened the 'cadillac of poker' rose to prominence in the 1970's when it was featured as the title game in the World Series of Poker. Today, Texas Hold'em is indisputably the most frequently played and most popular poker game in the world, played in casinos and on home game tables the world over (Votolato 2017).

Other variations such as Omaha, Stud Poker, Manila, Draw Poker and Razz are also popular, but nothing can compete with the thrill of No Limit Texas Hold'em.

2.1 Moneymaker effect

The term was created after Chris Moneymaker, a 27-year-old accountant and amateur poker player from Tennessee, United States, outlasted 838 other players to win the 2003 World Series of Poker (WSOP) Main Event, thereby winning the US\$2.5 million prize and the title of World Champion. Chris Moneymaker straight became the new poster boy for poker game, inspiring potential players to believe that "staying at home in front of a computer screen could be more profitable than going to work." His improbable win also started a new era in poker in which "a nobody could topple the feared pros" (Howard 2006).

We can find also many another definition of Moneymaker effect. One of them is very eloquent and said that Moneymaker effect a byproduct of the poker "boom" that followed Chris Moneymaker's 2003 WSOP victory. After watching a complete unknown go on to win the Main Event, millions were inspired to play no-limit hold'em (dubpoker.net).

Chris Moneymaker was a really amateur poker player and also holder of a name that is too good to be true, defied the odds to win the WSOP main event in the year 2003, just as the twin inventions of online poker and the hole-card camera simultaneously arrived to revolutionize a game long-relegated to smoky bars and living rooms. Little more than a decade later, with the online-poker world in an ongoing state of flux, the "Moneymaker Effect" continues to reverberate while the recollections and insights of the more than 30 eyewitness contributors remain as relevant and insightful as ever, whether the reader is a poker player or simply interested in a great real-life narrative (Raskin 2013).

According to an article in the Las Vegas Sun, Moneymaker's victory has been credited with launching the "poker craze", along with assistance from televised tournaments with hole-card cameras and the increased popularity of online poker. Moneymaker gained entrance to the 2003 World Series of Poker by winning a \$86 poker satellite tournament at the online poker card room PokerStars. This win gave him a seat at a table in a larger satellite tournament whose grand prize was a seat at the World Series of Poker in Las Vegas, Nevada, which costs \$10,000. Moneymaker won that tournament and went on to compete in the 2003 WSOP event (Pokernews.com).

This marketing strategy paid off massively when an unknown poker player named Chris Moneymaker won the World Series of Poker after qualifying with a \$40 buyin on PokerStars. He put the online poker scene on the world map. Till this day 'the Moneymaker effect' is still referred to. In the following years the World Series of Poker grew from 839 entrants in 2003 to more than 8000 entrants in 2006. The Cinderella story about a guy who had never played in a live tournament before and then turned \$40 into \$2,5 million was the best advertisement the industry could have asked for and it became a critical moment in online poker history. In the years to come PokerStars signed sponsor deals with all winners of the WSOP and labelled themselves the place "Where Poker Players Become World Champions" (pokerhistory.eu).

Now a great member of Team PokerStars, Moneymaker's biography on the PokerStars website reads: "His story sparked a tidal wave of interest in poker, a phenomenon that's been nicknamed the 'Moneymaker Effect' he'll always be remembered for that epic victory in 2003. It's a legacy he is clearly proud of and one that's given him the kind of life all poker players dream of." Moneymaker's story of how an amateur beat some of the best poker players in the world and win a multimillion-dollar cash prize is believed to have inspired millions of people to begin playing poker, both online and in card rooms around the world (Pokerstars.com).

At the 2004 World Series of Poker the following year, a semi-professional player, Greg Raymer, also qualified online and went on to win that year's Main Event, along with its \$5 million grand prize, against a much larger field of 2,576 players. There is no exception when a few amateur players are getting to the final tables in WSOP in recent years.

The world of poker experienced a revolution in the summer of 2003. After Chris Moneymaker won the 2003 Main Event, poker experienced a whirlwind of popularity amongst players of all ages and cultures. Throughout the entire world, poker rose in popularity immensely. This rise of poker popularity meant more money being introduced into the poker community. More money meant more profit for skilled poker professionals who could exploit their new weaker "fishy" opponents (zazaenlife.com).

Pundits often debate the validity of the Moneymaker Effect, some arguing that the poker boom was the inevitable result of the combined influences of online poker, media attention from ESPN and the creation of the World Poker Tour. However, there is little doubt that Moneymaker, by virtue of being in the right place at the right time with the right last name, effectively unified all these elements and played a pivotal role in exposing poker to a mass audience (pokerterms.com).

2.2 Black Friday

Black Friday is a term given by the poker community to the events of April 15, 2011, when the United States Department of Justice issued an indictment against the three largest online poker websites in the country: PokerStars, Full Tilt Poker, and Absolute Poker. Immediately following the indictment PokerStars and Full Tilt Poker, who generated the majority of online poker traffic, stopped offering players the chance to play for real money, effectively halting the poker boom started in the early 2000s and jeopardizing the livelihood of thousands of American poker players (pokerking.com).

The story of Black Friday is long and complicated, stretching back in part to the Unlawful Internet Gambling Enforcement Act that was signed into law by then President George W. Bush in October 2006. While not specifically prohibiting American players from playing online poker, the UIGEA did outlaw businesses from transferring funds to and from gambling sites. Final regulations weren't formulated until November 2008 and didn't go into effect until Jan. 19, 2009 (the last full day of Bush's presidency). Compliance wasn't required until December 2009, however, with another bill later introduced that would delay the requirement to begin complying to June 1, 2010 (pokernews.com).

The poker world was further occupied by the second installment of the "durrrr" Challenge between Tom Dwan and Daniel "Jungleman" Cates, which had been intermittently providing excitement over the previous seven-plus months. Just a few months before at the end of 2010, Annie Duke and Phil Hellmuth had ended long tenures as UltimateBet-sponsored pros. The remaining representatives of Cereus Network sites were fending off ongoing questions about earlier scandals, with Joe Sebok and Prahlad Friedman — who surprisingly signed on as a UltimateBet sponsored pro in January 2011 after having been cheated on the site before — doing what they could to convince players to deposit on the new "UB" (Guttmann 2014).

Televised poker shows like High Stakes Poker and Poker After Dark had never been more popular. With that season of High Stakes Poker sponsored by PokerStars and Poker After Dark continuing to be sponsored by Full Tilt Poker, tensions rose regarding a site's sponsored pros being allowed to appear on the other site's show, an issue that seemed at the time like a problem that mattered a lot to players and viewers alike (Boyd, Samuels 2014).

When Black Friday dawned, the poker world continued along as normal. According to the tracking site PokerScout, PokerStars and Full Tilt Poker continued their status as the top two sites in terms of traffic by a healthy margin, with partypoker and the iPoker Network battling back and forth as the next two in line and the Cereus Network hovering inside the top 10 (pokernews.com).

Black Friday was a nightmare for anyone who enjoyed playing online poker. In the midst of our great discouragement and dismay after the Department of Justice stripped us of our freedoms to play a game of skill with likeminded individuals, we need to gather our resources (Anderson 2011).

However, the push for the legalization of online gambling has recently accelerated. Online poker has been legalized at the state level in Nevada, Delaware, New Jersey, Massachusetts, New York, Pennsylvania or California. Still, most online poker players didn't care about the new law, as long as they could play and get their money out. It wasn't until Black Friday that the majority started paying attention. But even now, many former internet poker players The Verge spoke to are complacent. Once they got their money refunded, they stopped paying attention to the legislative fight, even though many would still like to play if they could (theverge.com).

One thing is clear, online poker as we knew it will never exist as it did again. Currently, the most progress is being done on the state level with legislation, but with a never-ending list of special interests, empty tax coffers and politicians facing slippery slopes endorsing things deemed gambling-related the future of a unified, effective regulation for the industry is still mostly dim (pokercentral.com).

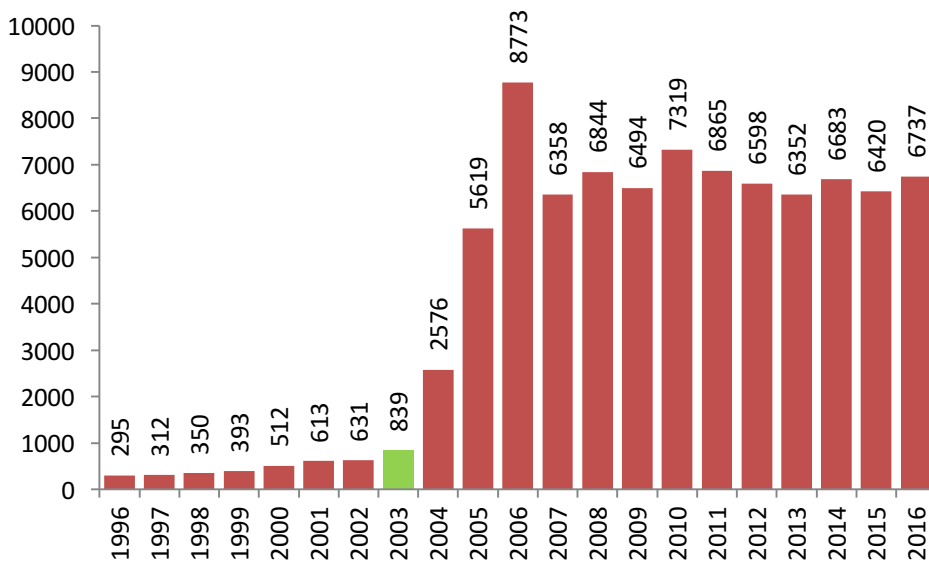
3. Data and Methodology

Main aim of this part of our article is to show how does the previous occasions projected to the growth of interest about poker. The basic indicator will be the WSOP Main event because it is the most famous tournament during the year. There are also many possibilities how to qualify into this tournament (online mainly). We will focused on increasing the number of players and rewards over the last 20 years in the Main event. Our second point of interest will be increasing of the price for winner of this tournament. Every used data are from official WSOP page.

4. Results and discussion

First indicator is the number of player which reached the WSOP Main event during years 1996 - 2016. The results are presented in the following figure. Our main point of interest is year 2003, when Chris Moneymaker won his first WSOP bracelet (as we mentionet in the previous part of this article). In the presented figure is this year highlighted.

Figure 1. Number of players in WSOP Main event 1996 – 2016

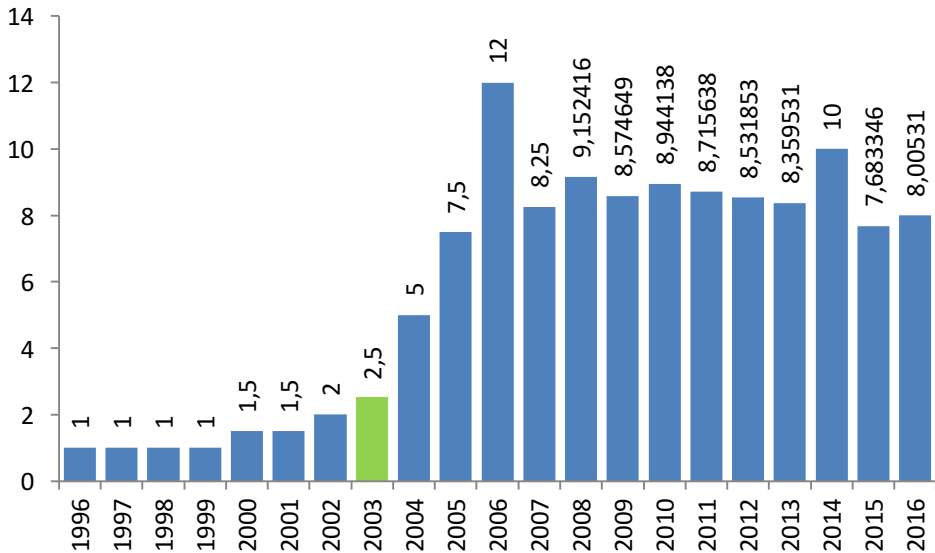


Source: own processing

We can see the enormous growth of number of players in WSOP Main event after this years. This is what is in poker community called the „Moneymaker effect“ and presented data clearly confirmed the existention of this effect in reality. Only three years after Chris Moneymaker won WSOP main event, the number of all entriest will grown more then ten times (from 839 in 2003 to 8773 in 2006).

Second indicator which was followed is the price for winner of WSOP tournament. As in the previous example we have compared data from last 20 years. The results (in million USD) are shown in the next figure (year 2003 is also highlighted).

Figure 2. The price for winner WSOP Main event 1996 – 2016 (in million USD)



Source: own processing

Also in this occasion we can see rapid growth of price. When Chris Moneymaker won in 2003 he received 2,5 mil. USD. Winner of WSOP main event 2006 (Jamie Gold) has obtained 12 mil. USD which is at least five times more.

5. Conclusions

These facts indicate that the moneymaker effect has actually caused a huge increase in the number of users who have started to play poker. At present, it is undoubtedly the world's most card game. Much larger community is made from online players. Every day there is a huge turnover in the online environment. This, of course, attracts many sponsors. It is undoubtedly an area that has the potential to reach out many people in the future, and we therefore think it necessary to address it. The popularity of live tournaments, cash games or online games is likely to be high in the future.

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