



WEEK 13

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THIS WEEK

- Tribal alliance opposed to PokerStars in CA
- Column: affiliates should focus on content
- Yahoo launch social games network
- Tweets of the week

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TOP STORY

LADBROKES TAKEOVER SPECULATION

Paddy Power rumoured to be eyeing acquisition



Paddy Power have been linked with a takeover of fellow bookmakers Ladbrokes. The *Daily Mail's* Market Report has cited speculation that the Irish operators, in partnership with a UK private equity group, are interested in acquiring their struggling rivals, with any cash offer expected to be in the region of £1.8bn, or £2 a share.

Ladbrokes' 2013 operating profits dropped 38.9% year-on-year to £144m, with digital operating profits plummeting 74.2% and UK retail operating profit down 25.9%. Reports last month suggested that CEO Richard Glynn had been given six months to save his job, speculation which the man himself refused to comment on, stating that he was "fully confident" he would still be in the role in 2017 when the firm's supply deal with providers Playtech ends.

Much emphasis has been placed on Ladbrokes' switch to Playtech as the operators seek to address their digital woes, and it was announced on Wednesday that the firm had successfully relaunched their online casino offer with Playtech games.

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Paddy Power's 2013 operating profit and profit before tax both showed 1% year-on-year increases, while EBITDA rose 5% to €176.9m. Operating profit for the firm's online division (excluding Australia) was up 1% to €73.5m, although their UK and Irish retail operating profit fell 9% and 2% respectively.

Late last year GBGC analyst Lorien Pilling, speaking hypothetically for an article on mergers and acquisitions, told *Gambling Insider* that there would "seem some basis" for Paddy Power taking over Ladbrokes in order to expand their presence on the UK high street. "Paddy Power has the better online division, so it would be most interested in betting shop acquisitions," he said.

As of 31 December 2013, Ladbrokes operated 2,297 shops in Great Britain, while Paddy Power's UK retail estate consists of 161 outlets, according to the firm's website.

Ladbrokes' share price rose 0.1p to 130.8p following the takeover speculation, although it has still dropped more than 40% over the past 12 months.

KEY POINTS

- Paddy Power rumoured to be interested in Ladbrokes takeover
- Cash deal would likely cost £1.8bn
- Ladbrokes' 2013 operating profits down 38.9%

TRIBAL GAMING

TRIBAL ALLIANCE OPPOSE POKERSTARS' CALIFORNIA ENTRY CTBA against operators' involvement in online poker market

The California Tribal Business Alliance (CTBA) say they will "strongly oppose" any legislation which allows online



operators PokerStars to enter the California internet poker market.

Recent media accounts have suggested that Stars are in partnership negotiations with the Morongo Band of Mission Indians and three California card clubs and will attempt to block any legislation containing a 'bad actor' clause.

However the CTBA, in a quest to "promote the highest standards of integrity" have spoken out against PokerStars' involvement in the market following the firm's post-UIGEA activities in the US.

Two differing bills to regulate online poker in the Golden State have recently been introduced. Both SB 1366 and AB 2291 contain bad actor clauses, although the latter has been deliberately left undated.

The California Tribal Business Alliance, which was founded in 2004 to address public policy matters of interest to tribes, consists of the Pala Band of Luiseño Indians, the Paskenta Band of Nomlaki Indians of California and the Viejas Band of Kumeyaay Indians.

KEY POINTS

- CTBA oppose PokerStars' involvement in the California online poker market
- Stars reported to be discussing strategic partnership with the Morongo Band of Mission Indians

SOCIAL GAMING

YAHOO UNVEIL NEW GAMES NETWORK

Freeplay platform offers access to 800 million players

Internet giants Yahoo have launched the Yahoo Games Network, a freeplay platform for third-party developers. As well as distribution across Yahoo's "untapped gaming audience" of 800 million users, the Network also offers services relating to player authentication, game monetisation, social sharing and analytics.

The Network contains classic games like Yahoo Poker, Yahoo Pool and Yahoo Bingo, new versions of which have been released for web, Android and iOS, as well as titles such as social casino game Slotomania, created by Caesars Interactive subsidiary Playtika.



KEY POINTS

- Newly-launched Yahoo Games Network to provide freeplay platform for third-party developers

NEWS IN BRIEF

ROUNDUP: IPL, INTRALOT, 888

The rest of the week's key stories on *GamblingInsider.com* and the web

- India's Supreme Court want a fair inquiry into spot-fixing in the **Indian Premier League** (IPL).

Tweets of the week

"A well-groomed customer has placed a bet of £3,000 on Boris Johnson to be the next PM (12/1) in our Oxford city centre shop."
Ladbrokes PR officer Alex Donohue [*@LadsAlex*]

"I took the shell off of my racing snail to make it go faster but, if anything, it's more sluggish."
Full Tilt copywriter
@Matt_J_Perry

"Bill to let NJ regulate foreign #internetgambling firms has DROPPED requirement that they pay into a fund to help #horseracing industry!"
Associated Press Atlantic City reporter *@WayneParryAC*

- **Intralot** have been awarded a 10-year contract to operate the **Irish National Lottery** by Premier Lotteries Ireland.
- **888** revenues are up by 7% for 2013.

GUEST COLUMNIST

"AFFILIATES SHOULD EMBRACE THE BENEFITS OF WELL-CRAFTED CONTENT"



by **Chris Lines**
editor

"I have been an interested attendee at a few talks in recent weeks dealing with the nature of search engines, content and general advice on how to cope with pesky Google and all the cunning little tweaks and changes they make to their algorithms.

The majority of these talks were very enlightening, with many of them targeted at an audience of gaming affiliates. But while tips on how important social signals have become to Google are certainly essential to take on board, I was amazed how little emphasis was given to the importance of good-quality content as a means to generate traffic to affiliate sites.

It's not the mid-noughties any more. You can't just fill a site up with SEO-tastic but tedious content-by-numbers crap and expect it to rocket up the page rankings; Google is far too clever for that now.

But as the newspaper and consumer magazine industries increasingly face up to the fact that their long-term prospects seem to be somewhere between distressing and dismal, it can be no coincidence that the desire for great content is in the early stages of going digital.

Doom merchants would have you believe that we're facing up to a future dominated by BuzzFeed-esque list features and gifs of grumpy-looking cats (not that there isn't sometimes a place for both of those). I tend to favour the opinion that humans have had a thirst for knowledge and well-written content for hundreds of years, and that doesn't just dry up because we're reading in different formats now. Most people still retain the urge to enlighten themselves.

The strain on the printed press industry means cutbacks and fewer jobs. But we're not seeing a knock-on effect in the number of people studying for journalism and media degrees. Which means there's a vast pool of capable graduates coming onto the market and not enough jobs for them to go into.

How can this work for gambling websites and affiliates in particular? Well, market conditions may have dealt employers a pretty decent hand. Talented journalists and brilliant creative minds are increasingly available on affordable salaries. You want content that goes viral on social networks and gives your page rank a timely boost? Sitting on a pile of data but don't have anybody to turn it into something newsworthy and salient? Maybe you should hire somebody to write you some original content that gets sent all over the internet and generates a buzz around your brand.

That word. Brand. That's a trendy word at the moment, isn't it? Affiliates have to become brands, say the experts. And they're right, but that doesn't just mean getting a graphic designer (although they're also surprisingly affordable) to design you a swanky logo. That should be part of your process, but being a strong brand is about reputation and identity as much as it is about recognition. If you place an article on your website that makes people laugh,

or makes them think, or even makes them angry, people are going to remember where they read it. And what's even better is that – these days – they're probably going to share it around, too.

So, for the uninitiated, what should you be looking for when recruiting a budding young writer to beef up your content?

My first tip would be to recruit someone with a proper qualification in journalism. There are thousands of them out there. They've just spent anywhere from a year to several years having good journalistic habits drummed into them by savvy, hardended tutors (most of whom tend to be ex-journalists themselves). They are young, hungry and know the 'right' way to approach writing a story. Doubtless they'll even teach you a thing or two.

Look for candidates that are natural self-starters. Have they completed unpaid internships during their studies? Do they run a popular blog in their spare time? Are they active on social media sites, and is it obvious that they pore over every tweet with the same critical eye as they would a six-page cover feature? Those are the people you want. They're out there, they're inexpensive and they'll work their backsides off to impress if you give them a chance. But let's not pretend it's some altruistic act. You'll be the one with an affiliate website full of content that people actually want to read, all lovingly created by writers savvy enough to know how to drive traffic to your affiliate partners. Because ultimately that's what you're all chasing, right?"

Chris Lines is editor of Gambling Insider

Want to be a guest columnist in GI Friday? Write to: editor@gamblinginsider.com

OUT NOW: Look out for the March/April issue of *Gambling Insider's* print magazine, including an interview with American Gaming Association president and CEO Geoff Freeman, as well as a look at how bookmakers are increasingly making use of statistics



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