



WEEK 17

FRIDAY 25 APR 2014

THIS WEEK

- Crown could buy Cosmopolitan in Las Vegas
- Guest column: George Voyatzis on the World Cup
- Crimea edging towards becoming a gambling zone
- PokerStars agree California partnership

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TOP STORY

GIBRALTAR FIRMS HIT BY FIRE

Gaming sites forced offline after power station explosion



An explosion and fire in Gibraltar shut down numerous online gambling operations on Sunday. Licensees including William Hill, Betfred, Ladbrokes and BwinParty were affected after an ensuing power surge disrupted services at telecommunications firm Gibtelecom.

The incident is reported to have been caused by a mechanical fault with a generator at Waterport Power Station which caught fire and exploded at around 1pm, leaving most residents of the British Overseas Territory without power. No-one was injured and police have ruled out foul play.

Bookmakers William Hill said their services were offline for about two-and-a-half hours, with spokesman Graham Sharpe describing the situation to news agency AFP as a "freak event" that nobody could have predicted. Around 50 staff at Hills' offices adjacent to the fire were evacuated.

Ladbrokes said that most of their services were up and running again by 6pm the same day, adding that no customer data had been affected. Betfred's site was still down that evening, and the firm appeared to still

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Photo: Aaron Baglivo

FROM FRONT PAGE ►

be having problems as late as Monday morning, directing online customers to their mobile site as they worked to fully restore systems. BetVictor were apparently unaffected as their Gibraltar office has its own back-up generator.

Gibtelecom say their main communication systems were unaffected by the power outages and that it was actually two of their four stand-by generators which were temporarily rendered out of action by a huge power surge as a result of the incident. Their COO Adrian Moreno said the firm had apologised to the online gaming companies involved, who he said would have been without Gibtelecom service "for two of the six or more hours of the general electricity blackout".

The firms are likely to have lost tens of millions of pounds worth of business on Sunday, a busy day of sport.

Once power was restored Gibraltar chief minister Fabian Picardo tweeted: "Power outage too long. New plans must reflect lessons of such incidents so we never repeat."

KEY POINTS

- Gibraltar fire and explosion forces major gaming firms offline
- Ladbrokes, William Hill and BwinParty among those affected
- Services disrupted after power surge hits Gibtelecom generators



Resorts is understood to be one of the groups in the running to purchase The Cosmopolitan resort in Las Vegas. The venue's owners, Deutsche Bank, are believed to be in talks with potential buyers, with Bloomberg reporting that at least four potential bidders were interested.

The *Australian Financial Review* newspaper cites unnamed industry sources who claim that Crown will lodge an official expression of interest in the hotel and casino complex, which is valued in the \$1.5bn-\$2bn bracket.

Deutsche Bank consider the resort to be a temporary investment having foreclosed on the property in 2008 after developer Ian Bruce Eichner defaulted on a construction loan. The Cosmopolitan [pictured above] opened in December 2010 and has made net losses of nearly \$300m during its first three years, with Deutsche Bank considering a sale since late 2012.

KEY POINTS

- Operator Crown Resorts interested in purchasing underperforming Las Vegas resort The Cosmopolitan

- At least four parties said to be considering bids for the \$1.5bn-\$2bn complex

EASTERN EUROPE

CRIMEA CASINO BILL SUBMITTED

Region would become gambling zone

Russia has moved a step closer to turning the disputed territory of Crimea into a gambling zone. President Vladimir Putin has presented a draft law to parliament which would legalise casinos in the region in a bid to boost its economy. The plans first came to light last month when it was reported that Russian government ministries had been given until mid April to submit plans for casino and hotel projects in the area. Gambling has been illegal in Russia since 2009, aside from in four designated regions.

KEY POINTS

- A draft law to legalise casinos in Crimea has been submitted to the Russian parliament

USA

POKERSTARS CONFIRMS CALIFORNIA ALLIANCE

Poker room joins forces with tribe and card rooms for real-money offering

PokerStars have agreed a California online poker pact with a Native American tribe and three large card clubs. The deal will see Stars owners The Rational Group provide a poker platform, as well as the PokerStars brand, for a real-money site owned and licensed by the Morongo Band of Mission Indians, the Commerce Club, Hawaiian Gardens Casino and Bicycle Casino, at such time as poker becomes legal in California.

USA

CROWN CONSIDER COSMOPOLITAN TAKEOVER

Operators interested in struggling Vegas casino

Australian casino operator Crown

Tweets of the week 

"More bad news on poker scheduling - EPT London just announced they will overlap WSOP APAC in October. What a shame. I'll be down under!"

Pro poker player Daniel Negreanu [@RealKidPoker]

"California hearing starting to turn into an advertisement for GeoComply. #CAHearing"

Online Poker Report's
Chris Grove [@OPReport]

"The most annoying aspect of this CA iPoker hearing is nobody will come out and say 'PokerStars' instead of using 20 words to describe them."

Pro poker player @John_Mehaffey

GUEST COLUMNIST

"KEEP 'EM LOYAL"



By George Voyatzis
Sports-betting firm sales director

"The World Cup, which kicks off this year in Brazil on 12 June, can't be beaten as a global sporting spectacle. It's also the first major event where operators can showcase their many new technologies. Since the last tournament in 2010 most mainstream i-gaming operations have seen their mobile play offering, and sheer number of non-derivative markets, come on in leaps and bounds. This is the first major event where operators can showcase these many new technologies.

The World Cup will be the centre of various promotions, offers and bonuses as almost every online sports-betting brand competes for new customers. But operators are finding it increasingly difficult, and indeed more expensive, to acquire new customers in their targeted geographies. They will spend heavily on advertising, affiliate marketing, branding and PR, but it's not necessarily those with the largest spend that are the most successful – it's the ones who get the most value from their outlay.

A huge chunk of operators' new customers, and often more than half of their total customers, are generated via affiliate programmes. But even if their programme has favourable commission terms, operators who

don't have the content to make sure they get the best value and response struggle. Affiliates want to send traffic to sites with a unique offering and like nothing more than being regularly updated on new and upcoming promotions by operators. The most successful marketing programmes during the World Cup will have relevant creatives, landing pages, bonus offers and promotions.

I've been surprised in my previous dealings with operators' marketing departments at how many were so under prepared in the run-up to major sporting and betting events. This was equally true for tier-one brands and smaller operations.

B2C brands have an opportunity to differentiate themselves and grow their business using events they have ample time to prepare for, yet so many miss out. When I worked for a major affiliate website it was a frequent occurrence with certain operators to receive fresh content for the weekend's event at 4.55pm on a Friday. The World Cup or European Championship tournaments were no different. If, as an operator, you're spending so much money on advertising and affiliates then getting the most out of this expense should be a priority, particularly in the current landscape of new tax regimes and frameworks.

So what offers will work for the World Cup? Operators need to make sure they correctly choose offers in terms of risk and reward. A great offer can leave operators exposed to bonus abuse, and any clampdown by bookmakers into player accounts often results in forums being filled with unfavourable posts. The fact is that the best and most popular

bookmakers tend to be the ones that are seen favourably in the main online bookmaker forums.

Paddy Power and Bet365 are great examples of UK bookmakers being very good at offering cashback and reload bonus offers. During previous World Cups I have seen operators offering cashback or enhanced odds on the tournament's outright winner have great success with new player acquisitions. Promotions around the many new sports-betting tools that weren't available in 2010, such as cash-out facilities, advance in-play markets and mobile, will do well this year. Unique offerings like Colossus Bets' £10m pool jackpot or Total Football's fantasy football game will also catch the eye of new customers. With such B2B solutions on offer, large USPs can be offered by operators of all sizes.

Finally I never recommend excluding your valuable existing customers from offers and promotions. Remember, all your competitors are after your customers. CRM is key and making your punters feel welcome and rewarded will only enhance loyalty.

I predict we will see record levels of online activity during the World Cup – any operator worth his salt will be part of this."

George Voyatzis is sales director at BetConstruct. Prior to joining he spent three years at sportsbook portal BookmakersReview.com as business development director

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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Location: Amsterdam, Netherlands; **Contract:** Perm

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