



WEEK 23

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THIS WEEK

- Leaked Fifa report reveals match fixing
- Column: Lee Richardson on cashing out
- Gamesys's Friendzy pulled from Facebook
- Tweets of the week

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TOP STORY

JAPAN CASINO BILL FACING DELAY

Legislation set to miss June deadline



Japanese National Diet Building

A bill to legalise casinos in Japan is highly unlikely to be passed during the current parliament session, meaning it will almost certainly have to wait until at least the autumn. The legislation needs to make it through both the lower and upper house in order to become law, but the former won't have time to address it today, the *Wall Street Journal* reports, making it nearly impossible for the bill to be passed before the parliament sessions ends on 22 June.

The next session, in autumn, is a shorter one, leading to fears that the bill might be further delayed until next spring, thus hampering plans to build casino resorts in Japan in time for the Tokyo Olympics in 2020. However in a strategic manoeuvre supporters of the legislation are set to instigate a lower house debate next week, even though a vote is unlikely. Reuters says the tactic is designed to ensure that the bill remains in discussion by the lower house and is therefore carried over into an expected extraordinary parliament session in autumn, allowing proponents to, in the words of the ruling Liberal Democratic Party's

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FROM FRONT PAGE ►

Takeshi Iwaya, "keep a grip" on the legislation.

The bill maintains good support in the lower house but it is feared that it could be scrapped if rushed into the upper, which is chaired by an opposition party member who is against the introduction of casinos in Japan.

The legislation is the first of two bills which need to pass into law for casinos to become legal in the country. It would request that the government creates a legal framework for casinos within one year, with the second bill then outlining the plans in more detail.

Major casino operators including Caesars, Las Vegas Sands, Genting and MGM Resorts are all interested in the Japanese casino market, which brokerage CLSA estimates could generate revenue of at least \$40bn annually. Video games firm Konami recently revealed its intention to invest in Japanese casinos if and when relevant legislation is passed.

KEY POINTS

- Japanese casino bill set to be delayed until autumn at the earliest
- Legislation unlikely to pass through both houses of parliament before the current session ends
- Bill would ask government to create a legal framework for casinos within one year

MATCH FIXING

SYNDICATE 'FIXED GAMES FOR BETTING'

New York Times cites unpublished Fifa report

An unreleased Fifa report into football corruption revealed that a match-fixing



syndicate and its referees "infiltrated the upper reaches of global soccer in order to fix exhibition matches and exploit them for betting purposes", according to the *New York Times*.

The report, which was one of a number of confidential Fifa documents seen by the newspaper, also stated that at least five matches were fixed in South Africa ahead of the 2010 World Cup, with as many as 15 targeted.

A *New York Times* investigation into match fixing, for which the publication also interviewed dozens of officials, referees, gamblers, investigators and experts, notes the "ease with which professional gamblers can fix matches". The paper says its findings raise "serious questions" about the vulnerability of the 2014 World Cup to match fixing as many national federations of competing nations are "financially shaky, in administrative disarray and politically divided".

Meanwhile a new report by Federbet, an organisation which claims to monitor suspicious gambling patterns, has suggested that 13 British football matches may have been fixed, including ten games at Conference level in the men's game. The allegations have been dismissed by the Conference, while

European Sports Security Association secretary general Khalid Ali has questioned Federbet's credentials.

KEY POINTS

- A confidential Fifa report seen by the *New York Times* states that match fixers infiltrated world football
- At least five fixtures said to have been exploited, with up to 15 targeted

ONLINE

FRIENDZY APP REMOVED FROM FACEBOOK

Bingo and slots game was social network's first real-money gaming app

The first real-money gambling product on Facebook has been withdrawn. The Bingo & Slots Friendzy app, developed by Gibraltar-licensed operators Gamesys, has been removed without explanation. Customers were emailed about the decision last week and advised to withdraw any outstanding balance in their accounts. There has been no official comment from Gamesys but it is believed the product had not generated as much revenue as hoped. The app was launched to UK players in August 2012 and marked Facebook's first move into real-money online gaming.

Tweets of the week 

"So about that Amaya Gaming/
PokerStars acquisition rumor?
Makes little-to-no sense now, keep
an eye on share price of \$AYA."

Eilers Research MD
Adam Krejcik [@akrejcik]

"Just back from Amalfi Coast.
Italy is so authentic. At times
you could actually feel you
really were in The Venetian."

Poker pro Neil Channing
[@SenseiChanning]

"If I'd spent this morning drinking
like I've been betting I'd now be in a
gutter mumbling something about
wanting my mum #worldcupfever."

Racing Post editor
@BruceMillington

KEY POINTS

- The Bingo & Slots Friendly app has been removed from Facebook without explanation

GUEST COLUMNIST

"CASH OUT? WIN WIN!"



by **Lee Richardson**
i-gaming consultant

"UK bookmakers have had a torrid time recently. Unfavourable sports results, new taxes and duty rises have them all hoping this month's Fifa 2014 World Cup in Brazil will help boost profits and share prices.

Football remains the single-most popular sports-betting activity on the planet, with the World Cup the biggest betting event of all. In-running betting (IRB) flourished four years ago in South Africa, becoming the first tournament dominated by this form of wagering, gaining an estimated 55%-60% share of total stakes bet on the event. Better still, since 2010, it's stimulated a new, vibrant and fast-growing betting sub-segment.

'Cash-out' – designed to retain customers and stimulate bet recycling – comprises offering the online player the option of cashing out their original bet, to either protect their initial stake, lock in a profit or lessen a pending loss, through a simple 'one-click transaction'.

More experienced exchange players had been adopting such a 'trading tactic' since their launch a decade before, but an automated in-running option

targeted at the more recreational player was new and it's proved an increasingly popular component of the football betting landscape.

Early adopters such as Betfair (launched in 2011), Unibet (2011) and William Hill (2012) have amply demonstrated how attractive this has proved with players; buoyed by a major TV ad campaign, 38% of Betfair's substantial football punter customer base now regularly use cash-out, whereas previously just 10% of them ventured beyond straightforward 'back' bets. William Hill reported 10,000 unique account holders were cashing out on a daily basis within 12 months of launch, with football always the most popular sport of choice.

Critically, 'cash-out' has also proved equally valuable to operators themselves; all have reported their customers' reduced propensity to churn, a subsequent increase in betting frequency and an uplift in average stakes. Enhanced customer retention and greater customer 'dwell time' are all vital to bookmakers, with the increase in average stake alone (some report an uplift of 19%) making the new product initiative hugely welcome to the bottom line.

With such a 'win-win' scenario, there's been a stampede of other large Tier 1 operators, including BwinParty, Bet365, Ladbrokes and Paddy Power, all providing a new 'cash-out' customer option in the past year. New sports-betting providers now build in this important functionality from the start; one recent example is Colossus Bets, who enable the player the option of 'fractional cash-outs' to 'book' profits throughout its range of multi-leg jackpot football games.

However, not all fixed-odds bookmakers can easily overcome the technical, trading or operational challenges to be able to offer this increasingly vital customer benefit. Btwiice, a start-up software provider I am associated with, therefore offers this functionality on a 'software-as-a-service' (SAAS) basis. It enables smaller operators the ability to compete with larger sportsbooks without having to worry about liquidity issues or margin management. They can also often generate better margins than through internal hedging activities, and on a risk-free basis if they choose.

Whatever size of bookmaker chosen by the customer, 'cash-out' is now a vital element of many football punter's betting repertoire. With concerns over the 'anti-social' nature of the kick-off times in Brazil 2014 – and the possible dampening effect on IRB volumes four years on – providing this option for their World Cup bets is now an 'essential' for bookmakers who want to attract and retain profitable customers during the biggest sports-betting event in the world."

Lee Richardson is the CEO of i-gaming consultancy Gaming Economics, as well as a non-executive director of Btwiice Ltd, a UKGC-licensed sports-betting software provider. He has held CEO/COO roles over the past 15 years including Tote Direct, Coral-Eurobet, Chartwell Games International, Boylesports and Oneworks

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

OUT NOW: Look out for the May/June issue of Gambling Insider's print magazine, featuring an in-depth and insightful World Cup Special as we assess the industry's preparations for Brazil 2014, as well as the first in our new 'Bright Sparks' profile series





Vermantia presents 360° Virtual!

Vermantia, an innovative and fast growing gaming content provider, presents 360° Virtual, an exciting and rich end-to-end Virtual games service. Through partnerships and in-house design, Vermantia brings to market a full product offering with plug-and-play technology solutions.

Vermantia is launching 5 new premium virtual games including Cycling, Motor Racing, Table Tennis, Badminton and Archery, which will enhance its robust portfolio to 10 games with a wide range of betting markets. This unique portfolio is enriched with additional titles from global frontrunners in Virtual gaming such as Betradar Gaming and Kiron Interactive, and includes Football, Horse Racing, Greyhound Racing, Trotting and Tennis. By the end of the year, Vermantia plans to further boost its offering with an additional 5 state-of-the-art games.

360° Virtual becomes all the more powerful through V-plus Media Platform, delivering end-to-end content broadcast solutions tailored for Retail, Online and Mobile. 360° Virtual technology extends to the provision of integrated self-service betting terminals for an unparalleled Retail experience.

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