



WEEK 50

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THIS WEEK

- Ladbrokes Coral deal may benefit Betfred
- GVC buoyant as revenues and wagers rise
- Governor signs new gaming compact
- Columnist: Leigh Nissim on mobile

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TOP STORY

PENNSYLVANIA CLOSING IN ON I-GAMING

Republicans aim to generate \$120m by launching online gambling in the state



Pennsylvania could become the next state to allow online gambling

Pennsylvania has taken a step closer towards legalising online gambling after the state's Republicans reportedly included i-gaming in a House budget bill.

The Pennsylvania House Gaming Oversight Committee passed online gambling bill HB 649 in November, with the next step for the bill being a vote on the House floor, but the legalisation of online gaming in the state could also come via the budget bill route.

It has not yet been confirmed that online gambling will be included in the House's version of the budget, but it has been reported by Penn Live that it would be partially funded by online gambling.

According to the Democratic analysis, \$120m would be generated by online gambling and the Republican Party funding plan would also legalise slot machines at off-track betting parlours and airports. The House bill was passed via an Appropriations Committee vote on Monday.

A budget bill was passed 43-7 by the Senate in November, but the bill did not cover revenue and the

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tax package funding is yet to be determined. The Pennsylvania Senate Community, Economic and Recreational Development Committee held hearings on online gambling earlier this year, but the matter has not been considered by the Senate since June.

It is not known how similar the inclusion of online gambling language in the House bill is to HB 649. HB 649, which was introduced in February and is sponsored by Democratic Representative John Payne, has had an omnibus amendment package added to it. The Gaming Oversight Committee has also made its own amendments and the overall changes include virtually all gaming reforms the state has considered this year. These include allowing racinos to add slot machines at up to four off-track betting locations that are at least 50 miles from a casino.

The most recent version of HB 649, which is still in the House as a standalone bill, outlines \$8m licensing fees to be paid by operators wishing to offer online gambling services.

KEY POINTS

- It has been reported that online gambling revenue projections are included in a Pennsylvania House budget bill
- The Republicans plan to generate \$120m by online gambling
- It is unknown how similar the language in the budget bill is to HB 649

M & A

BETFRED WANTS TO ASSIST WITH LADBROKES CORAL MERGER

Fred Done is happy to step in and acquire retail shops from the operators

Betfred founder Fred Done is willing to talk to Ladbrokes and Coral about buying shops that could be sold by the operators to complete their recommended merger.

The merger, which was approved by Ladbrokes shareholders in November, is awaiting approval from the



Competition and Markets Authority, and both could be forced to sell a part of their combined retail estate, which would total an approximate 4,000.

Done told The Sunday Telegraph: "We operate just short of 1,400 shops. Another 400 or 500 shops wouldn't be a problem to run. If somebody knocks at my door and says: 'Fred, do you want to buy some of these shops?'; I'd like to sit down with Coral and Ladbrokes and have a discussion with them."

FINANCIAL

GVC REPORTS RISE IN REVENUES

888 also releases a financial update

GVC Holdings has announced its sports wagers per day increased 13% year-on-year to €4.9m for the two months ended November 30.

Net gaming revenue was €388m, up 13%, with €328m of the total coming from sports betting, which went up 11%.

A vote will be held on Tuesday at GVC's extraordinary general meeting as to whether or not it will approve GVC's acquisition of operator BwinParty for 25p in cash plus 0.231 new GVC shares per BwinParty share.

Meanwhile, 888 Holdings, which itself attempted to purchase BwinParty, anticipates adjusted EBITDA of around \$78m for the second half of the year.

A trading update from the online operator said the H2 figure was expected to sit "at the top end of the range" of analysts' forecasts, which currently stand at \$69m - \$78m.



US

NEW FLORIDA GAMING COMPACT SIGNED BY GOVERNOR

Seminole Tribe can have exclusivity on certain card games for up to 20 years from 2017

Florida governor Rick Scott has agreed a new Tribal-State Gaming Compact worth \$3bn over the next seven years.

The deal, which now requires approval from the House and Senate, would see the Seminole Tribe granted exclusivity over the likes of blackjack, roulette and craps while also capping the amount of gaming the tribe could offer.

The agreement would begin in 2017 and last for up to 20 years, which includes a seven-year minimum guarantee.

It would create 4,800 new direct and indirect jobs, 14,500 direct and indirect construction jobs and generate \$1.8bn in capital investment.

The compact lists a number of in-state developments which would not violate the tribe's exclusivity, including additional slot licences in the Miami Dade and Palm Beach counties.

UK

UKGC SECURES FIRST CHEATING IN BETTING PROSECUTION

BBC documentary leads to prosecution of greyhound trainer

The UK Gambling Commission has successfully prosecuted a

greyhound racing cheat in a first-of-its-kind success for the regulator.

Trainer Chris Mosdall has been imprisoned for four-and-a-half months for drugging dogs to manipulate the outcome of races.

The 55-year-old, whose illegal tactics were captured in a BBC Panorama documentary, boasted of his exploits during the programme.

The hearing represented the first time a cheating in betting markets case had been brought by the Gambling Commission.

Judge Peter Lodder QC said: "Ordinary gamblers are entitled to assume they have a fair chance and to assume that betting markets are open and above board."



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GUEST COLUMNIST

MAXIMUM TRACTION THROUGH MOBILE



by Leigh Nissim
Global
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Interactive

Let me guess – you're reading this on your phone. Statistically speaking there is a better than one-in-two chance I'm right.

The majority of all internet browsing now happens on mobile devices and the conversation around the channel should reflect the medium's sophistication.

While usage in betting and gaming is aligned with wider trends, for the most part, the industry is often left behind when it comes to gaining traction through mobile.

For many operators – and therefore providers – it is the dominant channel, but it is incredible how often marketing, product management, or strategy is not adjusted accordingly.

Advertising spend should focus on Google, PPC, social media – TV commercials should demonstrate clear calls to action. Anyone watching is almost certain to be on their phone at the same time.

The level of competition means it is even more important to get players to install your app or, at the very least, bookmark the casino lobby to their homescreen. You need to secure a permanent, prominent position on their device that facilitates entertaining, engaging, quick and simple play.

I've recently upgraded my device. On transition I was intent on deleting unused apps, however none were surplus to requirements and I found myself transferring over 110 apps – it shows just how dependent on them we've become.

And mobiles are a marketer's dream – take advantage of the tools, like alerts and personal messaging, to keep in communication with the player. But make this relevant and specific, not broadcast.

Next comes a delicate balancing act.

A broad offering with a large library of games and portfolio of products will create the right first impression, but then players must be presented with a personal offering and an easy-to-navigate journey.

Consider introducing the right games, ones that are clear fits for mobile. Find out what your players want, then build a comprehensive, yet targeted offering built around their preferences.

The most fundamental rule is that mobile cannot be a reduced experience. Historically, it has been diluted, desktop-lite. This is wrong.

Start from mobile perspective and work backwards – games have far greater longevity. Take one of our titles, Balloonies, as an example. Its mobile-first design is instantly recognisable and there has been a long tail with regards to performance – it continues to register impressive numbers more than a year after launch.

Look at what other activities people are doing on their mobiles – the content is perfect for 'snacking', and create a similar appeal.

Explore and capitalise on gaming genres that are suited to mobile.

Players don't want a long, epic experience. They are after quick rewards and entertainment, such as simpler slots, clear and easy to use table games and scratchcards.

People are more inclined to play fun, social, 'quick hit' games on mobile; replicate this with the gambling experience.

Time – or lack of it – is an essential consideration. Loading, depositing, game selection and so on needs to be optimised for time and simplicity.

Don't slim down key features – all functionality needs to be available. Players who have to leave the app in order to deposit or contact customer services, for example, are unlikely to come back. Tolerance levels to things which aren't efficient and straightforward are increasingly low.

By the same token, don't jump to creating a wearable application, say an iWatch app, unless there is a tangible benefit.

Players don't have patience for gimmicks – several iWatch apps have been released with minimal or zero functionality. This might be a quick PR win but players are quickly turned off and these gimmicks are bad for the long-term brand reputation.

Whatever you do, embrace mobile so your business can stay in step with players wherever they go... literally.

Leigh is responsible for the commercial development of IGT's Interactive business across regulated markets, including new business sales, commercial strategy and customer development.

OUT NOW: Look out for the November/December issue of Gambling Insider's print magazine, featuring a Security Special in which we explore the various security issues operators and suppliers are grappling with in this constantly evolving industry.

