



WEEK 22

FRIDAY 27 MAY 2016

THIS WEEK

- FanDuel sets UK launch date target
- What's next for NYX post its OpenBet purchase?
- Olga Finkel on affiliate regulation
- Guest column: Keith Duddy, DICE London

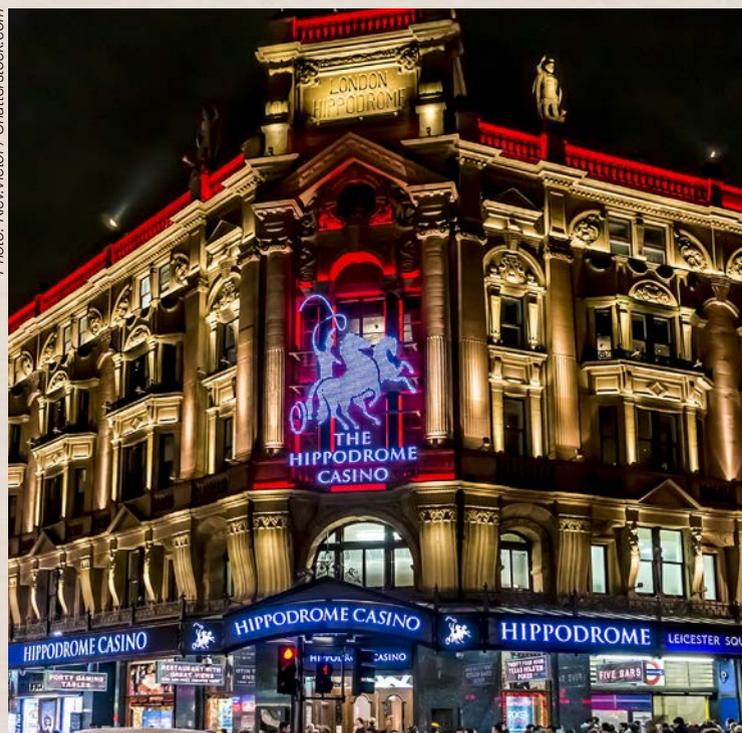
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TOP STORY

CASINO FIGURES BEMOAN REGULATION

UK casino industry representatives are unhappy about current blockers to growth



Executives from leading UK casino operators spoke at the Future of Casinos conference in Westminster, and seemed fairly united on wishing to see an amendment to gaming machine regulation.

This was the third in a series of seminars hosted by the Parliamentary All Party Betting & Gaming Group, and the format saw four industry executives give speeches to the floor, followed by a Q&A session. A number of key points that were raised at the conference.

First to speak was Mark Jones, managing director of Grosvenor Casinos, and the overall theme of the conference and idea of what the speakers are aiming to achieve was made fairly clear from the outset.

Jones spoke of his unhappiness about the three-tier structure that governs machines in casinos, as a result of the Gambling Act 2005. Casinos established under the terms of the Gaming Act 1968 are restricted to a maximum of 20 gaming machines, and Jones said: "Tourists, overseas travellers and investors cannot believe we have a three-tiered system and do not know what to expect when they come for a night out. There are very often nowhere near enough machines compared to what they are expecting."

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FROM FRONT PAGE ►

As per the terms of the Gambling Act, small casinos are allowed up to 80 machines and large casinos may offer up to 150 machines. Machine gaming was also touched upon by Hippodrome Casino CEO Simon Thomas, who said: "Casinos in all major European countries earn significantly more from slot machines than casinos in the UK. The largest European casino countries earn 90% of their revenue from slots. In France, it makes up 80%, it's 40% in Spain, 70% in Germany and 55% in the Netherlands, whereas it's 15% in the UK. The UK Gambling Commission has no issues with increasing the number of slot machines. In 2006, the number of machines was raised from 10 to 20 and there were no issues politically or in the media."

Next up to speak was Richard Noble, COO of Aspers Group. Noble called the Gambling Act a "market failure", as only four of the 16 new casino licensees that resulted from the implementation of the Act are currently still operating.

Noble also called for changes to allow for more machines in casinos, for the reason that they would bring increased tax income to the Treasury.

The last speaker was Roger Marris, CEO of The Ritz Club, who outlined an idea for changing the casino tax regime to bring it in line with other jurisdictions. "In Barcelona, they have a lower duty rate for international players and a higher duty rate for nationals," he said. "The high end really caters to a global audience and we want to expand the international audience we are trying to reach."

In the Q&A session that followed, *Gambling Insider* asked to what extent UK casinos need to innovate to attract millennials by offering skill-based gaming amenities. Thomas replied: "One of the areas where we are blocked is modernisation. We are not allowed to offer an electronic random number generator and are not allowed to offer online gaming inside a casino. In terms of millennials, I'm actually quite skeptical about skill-based gaming. I grew up playing Space Invaders, but

that doesn't mean that I now want to play a Space Invader version of roulette. Millennials want a really good night out and want to play James Bond – watch a cabaret, eat steak, have a drink and gamble at the tables if they want to."

Gambling Insider verdict

What seems clear is that the casinos are not happy about current gaming machine regulation. It would appear that machines are unable to go without causing debate in all kinds of gaming sectors at the moment. The industry feels bound in a number of respects and it is evident that this seminar, at least from the perspective of the operators, was about attempting to drive debate, and ultimately, change.

KEY POINTS

- Industry figureheads from the UK casino market reported their views on the industry at a parliamentary seminar this week
- The consensus was that regulation needs to change to support casinos, with particular reference to slot machines

- Hippodrome CEO Simon Thomas is skeptical about the idea that skill-based gaming is needed to attract millennials

DAILY FANTASY SPORTS
FANDUEL SETS UK LAUNCH DATE TARGET

The operator's UK licence has not yet been permitted

FanDuel has revealed that it is aiming to launch in the UK in August, though it still appears to be waiting for its licence application to complete.

A spokesperson for the daily fantasy sports (DFS) operator confirmed the planned launch target to Gambling Insider via email.

When asked if FanDuel plans to make an official public statement on its website, the spokesperson replied: "No, not yet as the date is not set in stone and still provisional – we are looking to launch then." The spokesperson was not able to give an update on the licence application.

FanDuel's pool-betting licence application on the UK Gambling

Commission's (UKGC) website reads as "pending", as it has read since the back-end of last year when the licence application began, and FanDuel CEO Nigel Eccles was reported by Bloomberg in November to have said that the product may be subscription-based as opposed to charging entry fees for individual contests. FanDuel is licensed to operate remote gambling software but is not yet licensed to operate remote pool betting.

UKGC was not able to give any more information on top of what is publically available when contacted.

FanDuel has an office in Edinburgh and Eccles is listed as based in the UK on Companies House.

The planned launch comes after fellow DFS operator DraftKings began operating in the UK in February. Eccles said in an interview with VentureBeat the UK offering will focus on football, namely the Barclays Premier League and UEFA Champions League.

The FanDuel UK product would contrast with DraftKings UK, which

offers a range of sports to UK players and would still appear to be US-facing to the UK player, with contests on US sports such as baseball, basketball and NASCAR being offered, and player deposits and prizes being converted to dollars.

ASIA LEGAL UPDATE
SCIENTIFIC GAMES ALLEGEDLY STILL NOT CLEARED IN MACAU COURT CASE

Paradise Entertainment contradicts the provider's version of events

Paradise Entertainment has said that no court decision has been yet made by the Macau courts "in favour of Scientific Games Corp. regarding the right to sell any electronic table game in the Macau market".

The release states that the legal decision involving Jay Chun, Chairman and Managing Director of Paradise Entertainment, LT Game Limited, a unit of Paradise Entertainment, and SHFL Entertainment, a unit of Scientific Games that makes electronic table games, is still pending.



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The statement followed a news report by GGRAsia released on 19 May quoting Derik Mooberry, Executive Vice President and Group Chief Executive of Gaming at Scientific Games, who declared at the Global Gaming Expo Asia that the courts have opted in favour of the right to sell any electronic table game in the Macau market.

This new declaration made by Paradise Entertainment claims that “the allegations made therein are untrue”.

MERGERS AND ACQUISITIONS

PLAYTECH PURCHASES QUICKSPIN

The deal is worth a maximum of €50m

Playtech said today that the company has acquired Swedish online games studio Quickspin AB in a deal worth up to €50m. Quickspin generated revenue of €6m in 2015, while its adjusted EBITDA was €2.1m.

Playtech said that those figures are forecast to grow significantly and will strengthen its position in the Nordic region.

The way that the payment to acquire Quickspin will be structured will see

Playtech pay a maximum of six times Quickspin’s EBITDA in 2018, subject to a cap of €50m.

There will be an initial payment of €24m for 100% of the shares of Quickspin on a cash-free/debt-free basis, while the remaining €26m will be paid on an earn-out basis based on Quickspin’s EBITDA earnings in 2017 and 2018.

Playtech CEO Mor Weizer said: “We look forward to working with the Quickspin team and to see the Quickspin brand continue to flourish within the Playtech family. Playtech remains in active discussions for a number of other bolt-on acquisitions as well as larger acquisitions in the gaming division, together with discussions for selective bolt-on acquisitions in the financials division.”

The new agreement is the first major acquisition made by Playtech in 2016, following failed attempts to buy trading platform Plus500 for an approximate £459.6m and Forex broker Ava Trade for \$105m last year.

Playtech was also reported to be in the running to acquire fellow provider

OpenBet, which was eventually purchased by NYX Gaming Group for £270m earlier this month.

ANALYSIS

WHAT IS NYX’S CURRENT POSITION? Having recently bought OpenBet, *GI* examines how NYX now stacks up against some of its competitors

Now that NYX Gaming Group’s deal to acquire fellow provider OpenBet for £270m (funding of £100m was provided from William Hill and Sky Bet) has been completed, *GI* decided to take a look at its current position in the market and how far away it may be from toppling the elite.

Market cap

When looking at the market cap of some of the industry’s leading providers, you can see that NYX still has some catching up to do. This also shows you why perhaps NYX deemed some M&A activity to be necessary. Here is how NYX stacks up against some of its competitors, according to Yahoo Finance, when converting

all currencies into pounds. This is based on how NYX compares to some publically-owned providers only. The number provided in brackets shows, if applicable, the company's position in the GBGC 50 Index January 2016, which shows the top 50 gaming companies, in terms of market cap, and is put together by Global Betting and Gaming Consultants.

- Aristocrat Leisure - £3.91bn (15)
- Playtech - £2.71bn (18)
- IGT - £2.37bn (19)
- NetEnt - £1.73bn (25)
- Scientific Games - £494.9m (42)
- NYX Gaming Group - £68.75m

It is slightly difficult to get a read on the direct impact that OpenBet could have on the enlarged group, given that NYX has bought a private business that does not release financial statements. However, if you were to take the OpenBet acquisition price and place it on top of NYX's current market cap, this would give a new market cap total of £338.75m.

Revenue

In terms of revenue, it's a fairly similar story. Here is a list of the revenue produced by the same companies in each of their last annual reporting periods, again converting the numbers into pounds. Note that the IGT revenue is on a pro forma basis as opposed to a reported basis. NYX expects revenue to exceed CAD\$207m (£108.7m) for 2016.

- Scientific Games - £1.91bn
- Aristocrat Leisure - £788.3m
- Playtech - £488.04m
- NetEnt - £90m
- NYX Gaming Group - £27.5m

What will OpenBet bring to the table?

The OpenBet deal will take NYX into a new vertical, as it has not previously been known for providing sports-betting software. This year could be time to capitalise on some troubles for Playtech, as it mentioned in its full year 2015 financial report that its

sports-betting revenues were likely to fall for 2016, due to losing three sports-betting contracts through Mobenga, a Playtech subsidiary. Playtech's sports revenue for 2015 was up 22% to €32.2m.

Looking forward

Matt Davey feels that NYX is among the top three or four online gaming suppliers and the top 10 land-based gaming manufacturers. The NYX CEO also feels that the group will grow at a faster rate than its competition.

Now that the paperwork and formalities are out of the way, it is over to NYX to potentially reshape the market as we now see it.



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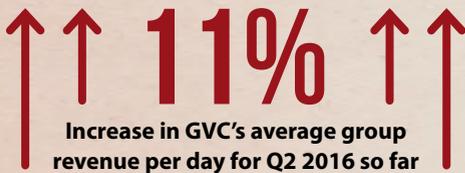
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THIS WEEK IN NUMBERS

The facts and figures that have caught our eye in the past seven days



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The number of the 4,000+ attendees at this year's AAC that are expected to be affiliates

350-400

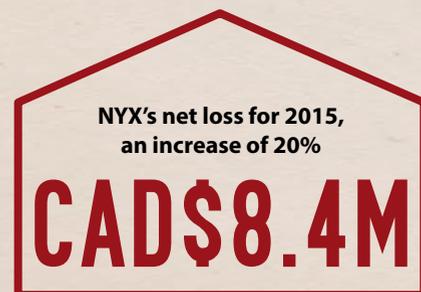
The number of betting shops Ladbrokes and Coral may have to sell to complete their merger



Bet365's average monthly traffic for 2015, making it the most visited UK sports-betting online operator



Increase in mobile web traffic for UK sports-betting operators in 2015



Record sales for the UK National Lottery for the year ended 31 March 2016

10 Number of years that GVC Holdings' deal to provide an online sportsbook platform for Betfred will run for

INTERVIEW
THE GREAT EIGHT



Shona O'Donnell, Head of Operations for iGaming Business, gave Gambling Insider all the relevant information for the Super Show, made up of eight separate events

How has the show changed from last year?

For us, it feels like last year was the year that the show really came into its own. I feel we've now got a formula that works incredibly well. This year, rather than making big changes, it's really about perfecting something that we know is working. I don't feel there is anything that will feel massively different – it will really be about refining

the experience. We will continue to make sure that we have separate networking for different verticals wherever possible.

What makes this year's show unique?

It's a free-to-attend event and that's quite a big deal, because we want to encourage as many people as possible to come. Making the event free is extremely rare, especially as it includes all the evening networking. Whether we have a sponsor or not, we always try to put money behind the bar and that makes us quite unique. We always try and do things differently and put our customers first.

What are the highlights of the conference schedule this year?

Previously, we had a lot of conference sessions that were quite general and didn't focus on one specific niche, so we've improved that. We're working with the International Masters of Gaming Law (IMGL), who will be bringing a master class to the show, which we're very excited about. The Payment Solutions Summit does exactly what it says on the tin. We're also

working with Gaming in Holland, so for anyone who's looking at a very focussed solution for the Dutch market then that's going to be key to them, and we will also have a Dutch legislation session in the IMGL master class. The show is about providing specialist information, which is what people want.

What are the standout networking opportunities?

There will be a payments dinner on the Wednesday, where payment providers are able to buy a table, bring their clients and entertain them. Amsterdam has some of the best nightclubs in the world and great restaurants, but we've received the best feedback across the board with the final night networking party, because we go to the Euro Pub and Majestic, which is very old school and is where the affiliate events in Amsterdam actually started. People just love that sense of nostalgia. The feedback that we get suggests that while people want to party, it is still a networking event and they do want to have a conversation with each other.

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INTERVIEW

**“REGULATORY PROTECTION IS NOT
NECESSARY FOR AFFILIATES”**



***Olga Finkel**, founder and partner at law firm WH Partners, talks to **David Cook** about the idea of regulation in the affiliate space*

How did your involvement with gambling law through WH Partners initially come about?

I became interested and involved in the gambling industry's legal and regulatory side 16 years ago, when the first limited regulatory regime for online sports betting offices was established in Malta. As my background is not only in law, but also

in computer science, technology and IP-rich e-commerce and m-commerce business, this became a natural focus for my legal specialisation early on. Remote gaming and its ecosystem, as part of e-commerce and m-commerce, has been a very important focus for our law firm since its establishment.

How frequently do you work with affiliates?

We assist with affiliates on a regular basis in establishing corporate presence, taking care of the contractual relationships, intellectual property protection and other matters.

What are the most common legal and regulatory challenges affiliates and operators face when working together?

In cases where affiliates enter into a contractual relationship with an operator via online terms and conditions, a common concern is that it is not possible to negotiate contract terms. Another point of contention is the lack of a reliable mechanism to

verify that the traffic forwarded by an affiliate is correctly tagged and that the commission is calculated correctly.

Operators, on the other hand, face problems when the marketing approach by affiliates is too aggressive or in breach of applicable advertising rules in their target market. Such an approach may expose an operator to an adverse regulatory action. Another problem mentioned often is that affiliates, in their quest to improve their SEO and to increase their commission, register domain names which are derivatives of operators' trading names or trademarks, thus effectively exploiting operators' own intellectual property without authorisation and at the same time charging them for it by deriving commission.

How would regulation in this area impact on the market?

I do not think that regulation will be either justified or helpful. I spoke about this at a conference at this year's ICE Totally Gaming show.

Some speakers at that conference presented a view that affiliates need to be protected in a number of ways. This included from being cheated by operators and that affiliates are often not adequately shielded from unscrupulous operators where, for instance, such operators do not tag customers referred to them correctly or where operators do not pay or delay paying commission due to affiliates.

It is clear that where one party to a contract does not carry out its obligations correctly in a timely manner and in good faith – the other party is prejudiced. However, my question is – how exactly is the affiliate's position in their relationship with a gaming operator different from the position of a commission agent who forwards traffic to a site of a concert organiser selling tickets to that concert? The event organiser may delay payment of commission or not tag the incoming traffic correctly – does this lead to anyone requiring regulatory measures to protect the

commission agent? Not really, and this is because standard laws applicable to contracts and the concept of claim for damages for breach of contract apply. This is without any need for a regulatory overlay. True, sometimes such protection may not be adequate or immediate or cost-effective – but it is there and it has worked for commission agents and all other commercial providers of service. I cannot see why affiliates are different just because their contracting party is a gaming operator.

Why should affiliates not be entitled to the same protections that consumers are entitled to?

The rationale of gaming regulation in a very simplified form is mainly to protect consumers, particularly those that are more vulnerable, as well as to ensure that the gaming sector is free from crime. Affiliates should not be entitled to the same protection as consumers precisely because they are not consumers. Their relationship with

an operator is a purely commercial one. As in every business relationship, the only protection available is that which is applicable to all commercial relationships in general. Rather than waiting for some external regulatory protection to be imposed, affiliates should protect themselves. Of course, you would say at this point that this is not always possible, because very often it is a "take it or leave it" situation and no negotiation is possible for affiliate terms and conditions, which is indeed a concern. However, like in every other commercial relationship, no one is forcing the affiliate to enter into a relationship that does not seem fair to him. It is up to the affiliate to evaluate whether to enter into a commercial relationship or not and take a decision.

If regulation is not needed, what can be done to improve transparency in this area?

One should negotiate contractual terms, where possible, requiring

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putting a tagging and commission verification system to be put in place, providing for a possibility to carry out an independent audit of player tagging and fee calculations. These are just some of the methods. They are, of course, often only possible to implement for a large affiliate. Smaller ones should do their research and check the reputation and track record of operators in dealing with affiliates.

How would you advise an affiliate that has been mistreated, such as an operator not paying the affiliate as it would have previously agreed?

It is always best to try to solve matters amicably at first. If that does not work, then a legal claim may be brought against the operator on the basis of breach of contract. If the option to make use of Alternative Dispute Resolution (ADR) is available, it is even better, as ADR proceedings are cheaper and faster. I believe, though, that the number of claims actually brought by affiliates is much lower than the number of disgruntled

affiliates. Affiliates should ask themselves why they are reluctant bringing a claim. I think assessing the root cause of this reluctance and acting upon it may improve the affiliate's overall standing and chances of success in cases of a default by an operator.

How high on the agenda is regulation to the average affiliate?

I don't think it is very high on the agenda, and it should not be.

How difficult is it for affiliates to be aware of gambling legislation across different states when going into partnerships with operators?

It is not difficult to be aware. There is plenty of information out there, but information is not always correct or complete or applicable. In any business, one must check about the legislative rules and constraints of doing business before embarking on a venture. Affiliate business is of course not an exception. Affiliates should check what they can and

cannot do in their target markets, in particular with respect to the rules applicable to advertising of various types of gambling services. It is also important to ascertain whether the operators they promote are adequately licensed.

What potential changes in gambling law that relate to affiliates could we possibly see in the future?

Theoretically, it is possible that some additional rules regulating the relationship between operators and affiliates will be introduced. However, in my view, it is not likely that the rules will be what the affiliates expect – i.e. to “protect” affiliates vis-à-vis operators. It is more likely that we will see more explicit provisions requiring affiliates to conform to more rules than they are subject to today. This includes rules regulating advertising, for instance, to ensure that promotions run by affiliates are not targeted at minors and do not represent gambling as a solution to financial problems.

AFFILIATE OPTIMISATION

OPTIMISATION CULTURE 101:
TAP INTO YOUR USERS' INSTINCT

*Truly understanding the user is a key factor in successfully monetising affiliate traffic, says **Roi Rintzler**, Head of iAffiliates*

Through years of experience in the industry, we have seen a clear trend

of affiliates falling towards either end of a spectrum. A few affiliates are familiar with their traffic's traits, and therefore focus on using marketing materials that suit their players. However, the vast majority of affiliates will simply request the best marketing materials available. But the same landing page that converts well for one affiliate will not necessarily behave the same way for someone else's traffic. That's where professional affiliate programs step in with optimisation culture, creating the most optimised marketing materials, custom-made for an affiliate's traffic to eventually leverage conversion.

Optimisation culture is a set of methods that create an experience, with the goal of increasing the percentage of users that convert into customers. This is an ongoing process aiming to maximise traffic potential, and part of this process has revealed a transformation in players' reactions. Studies have shown that players tend

to have emotion-based reactions. So whether a player chooses to press the call-to-action button or not depends more on instinct than a conscious decision. As a result, the industry has shifted its focus from the product to the emotions of the player – from User Interface alone, to User Experience (UX).

User Experience is the quality of experience a person has when interacting with a specific design. In the online casino industry, UX is the synthesis of three elements: the user's need, the business offer and the technical constraints. However, there are several challenges faced when implementing a good User Experience. For example, different users have different needs. Two more challenges relate to operator trends: marketers tend to focus on the offer, and not on the way it is perceived; and focus on the product to the detriment of the user. A program that provides marketing materials custom-made for the affiliate's

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players, based on different criteria, can positively affect UX and thus generate more traffic of higher quality.

We have seen positive results from our own program's experience. iAffiliates consistently invests resources to create the most optimised marketing materials for its affiliates. In addition, we constantly update materials, and provide affiliates with tools to maximise the conversion potential of each affiliate's traffic.

The iAffiliates vision of optimisation culture also includes constant interaction with players – examining what they would like to see, what would please or disappoint them and how they would react; which forms the main components in customising marketing materials for affiliates. For instance, A/B testing is a form of analysis that allows for interaction with players, by presenting two versions of the same product simultaneously, in order to determine which version of the product is better. The online world and its users are

very dynamic, and A/B testing is one of the few ways an affiliate program can gauge the emotions that cause a player to press the call-to-action button. The analysis is performed on two identical audiences, so the results reflect an authentic preference of a specific traffic group. Monitoring players' feedback through A/B testing is a major KPI for iAffiliates. This testing is an ongoing process, and the strongest path to tune in to players and maximise the potential traffic of the affiliate.

Another critical element in optimisation culture is behavioral research. Through analytical methods, the affiliate's traffic can be categorised by multiple features that provide insight into player preferences. This data can in turn enable marketers to better customise their marketing materials and increase conversion in a targeted approach. iAffiliates invests in analytical tools that classify players by country, language, gender, age, payment method, games and more. This regularly updated

information has proven invaluable in keeping us informed about patterns in player behaviour. The resulting data empowers us as an affiliate program and dramatically maximises our affiliates' traffic potential.

In an era where individualism in marketing reigns supreme, elements such as User Experience, A/B testing and behavioral research are part of optimisation culture that recognises the central role of the individual. This culture is the result of the shift that altered our focus from the product to the user's emotions. This transformation forces us to be tuned in to our players and eventually recognise human behavior changes according to technology developments, and we must stay ahead of the game.

Roi Rintzler, Head of iAffiliates, has over seven years of experience in the gaming industry. Rintzler specialises in affiliate marketing, UI optimisation, e-mail marketing, market research and more

AFFILIATE DFS OPPORTUNITIES

DAILY FANTASY SPORTS: A NEW TERRITORY FOR AFFILIATES

There's a new market on the horizon, and it's going to be a lucrative one for those who get the right shaped foot through the door says Oulala.com CEO Valéry Bollier

Interest in daily fantasy sports (DFS) is undoubtedly on the rise in Europe, and 2016 is only the beginning. Presently, there are very few "serious" operators that are currently active on this side of the Atlantic, however the next few months will see radical changes in the makeup of the industry.

The most obvious change afoot is that the two American DFS giants have arrived in Europe: DraftKings is already here and FanDuel will join it very soon. Secondly, numerous European start-ups like Oulala.com have grown in the past 18 months to a size that allows us to potentially become major actors in the market. Finally, while the ecosystem of companies providing services to DFS operators is still very poor and lacking, this situation has already begun to change; we are now at a point where we are receiving offers from potential partners every week.

If the growth of the DFS ecosystem is a fact, we can therefore predict that DFS operators will swiftly begin to compete in all possible arenas common to the gambling industry, a significant one of which is affiliation.

But the question is: Why should affiliates embrace this new activity? Diverting resources from traditional revenue generators into a new market is risky, so what is in it for them?

Indeed, affiliates only taking a quick glance at DFS might instantly reach the

conclusion that it is not an interesting opportunity for them. DFS players seem to play less often and therefore generate smaller monthly incomes. However, those willing to spend a bit more time looking at DFS's key metrics will understand that in reality the market is on the verge of becoming the most efficient "milk cow" they have ever encountered.

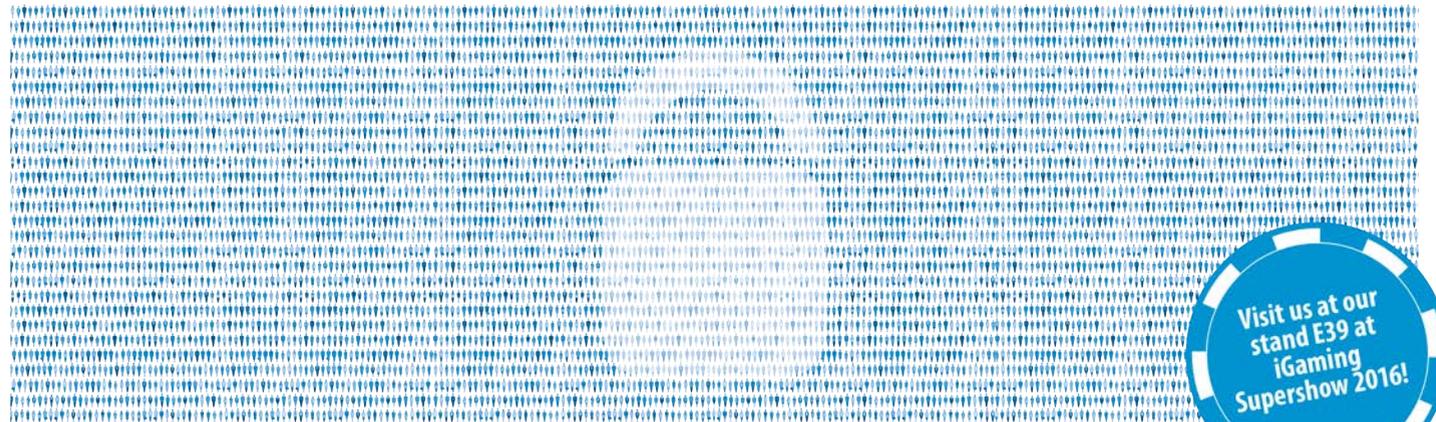
UNSEEN LOYALTY

The plain fact is that DFS players are remarkably more loyal than i-gaming players. If the average poker player has a nine-month life expectancy, studies in the US show that DFS players are loyal for more than nine years. This is a serious game changer for affiliates. You may wonder why, and the basic reason is very simple: DFS is first and foremost a social game. Therefore, DFS players have an incentive to come back and play every day because they want to prove to their friends that they know football better than them.

This also means that the affiliation market must adapt its business model

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to this. Affiliates must push CPA aside and embrace revenue share instead. We can easily predict that those that do so will stop the "rat race" and start gaining customers that work for them almost indefinitely; ultimately, the dream situation of every affiliate.

TROJAN HORSE

Affiliates will also realise that the acquisition cost of DFS customers is 1% of the acquisition cost of a casino player. Therefore, most operators will want to use DFS as a Trojan horse to acquire inexpensive customers that will then be able to play other kinds of games.

Hence, if operators gradually grow less interested in acquiring sports-betting customers, it then makes sense for affiliates to adapt their offer to the future new reality of the market: they need to start offering content that will attract future DFS players.

STILL FOOTBALL – BUT STATS

Having a strong website with good quality content does not mean that the switch will be easy. Indeed, DFS players are not looking for

information about teams: they are only interested in players, and more specifically their individual statistics. It is a radical change in the editorial line. Instead of addressing the right side of the brain of your customers (the emotional part) with words, you will target the left part of their brain, that is, the rational part, with hard numbers and stats.

A DIFFERENT STORYTELLING EFFORT

But numbers can swiftly become boring. To make them more appealing, affiliates should therefore find ways to build a story around them. At Oulala.com, we make extensive use of infographics, which have been our corporate signature: we have already had thousands of these published in the UK media over the past 18 months. However, every affiliate should find their own way to build a story around statistics and numbers.

A LEARNING CURVE

It seems quite evident that i-gaming affiliates will soon face a shift in their

market, and that those that adapt to this new reality will effectively place themselves in a promising position. For affiliates, DFS is a new territory that will need to be fully explored and the first movers will acquire the experience and know-how to succeed much quicker than others.

Oulala.com recently launched our affiliation program with Gambling Affiliation (www.gambling-affiliation.com). Affiliates have already begun to join our program and we are very optimistic about its future success. No doubt, affiliation will soon become one of the main acquisition channels for DFS in Europe. The only remaining question is: Will you be a part of it?

Valéry Bollier has over ten years of experience in the i-gaming industry. He is a regular speaker at industry conferences and seminars, as well as a contributor to various B2B publications. Equipped with a passion for Daily Fantasy Sports (DFS) and "Big Data", Bollier is the co-founder and CEO of Oulala, a revolutionary fantasy football game which was launched three years ago

GUEST COLUMNIST

**WHY DONALD MIGHT TRUMP
HODGSON IN THIS YEAR'S BIG BET**

By Keith Duddy
*Head of Content,
Dice London*

The history of betting on political events goes back centuries, pre-dating organised sport. The disputed succession of Edward VI prompted a lively market among the merchants of Antwerp, while it is said that you could get odds of 4/1 on George II surviving the battle of Dettingen during the war of the Austrian Succession.

By the late 19th and early 20th centuries, American presidential elections offered a fecund market among Wall Street traders and those in the London clubs who still took an interest in the former colonies.

Of course, prior to 1961, British bookies were restricted to taking postal and credit bets only, it was said that unless you had an entry in Debrett's you couldn't even get an account at Ladbrokes.

In May 1961 everything changed when betting shops were legalised in the UK and in the Tory leadership tussle, following the Profumo affair which led to Macmillan's resignation, bookies opened a market on his successor. Alec Douglas-Home, the late arrival, 16/1 shot, came out on top.

In the general elections of 1964 and 1966, the two giants of the British betting industry, William Hill and Ladbrokes, both offered prices on the outcome, but with very different attitudes. William Hill himself, who still led the business, had a somewhat puritanical attitude, believing

that wagering on elections could skew the ballot, resulting in a government that otherwise would never have been elected. Cyril Stein, his opposite number at Ladbrokes had no such qualms and delighted in making William wriggle when the subject was discussed in the media. He also knew the value of the PR that could be generated as a result, the non-sporting press has always delighted in stories surrounding outlandish political betting.

Fifty years later and the Scottish Referendum became the biggest political betting turnover event in history. While the pollsters maintained that the result would be too close to call, the bookies had a No outcome as an odds on favourite throughout. Ladbrokes reckoned around £10m was wagered across the industry on the result. The 2015 General Election saw an even bigger market.

2016 has two big political events, the US Presidential Race and the EU Referendum.

At the time of writing they each had more than £9m matched on Betfair. A total market of more than £50m this year is not at all unrealistic.

As a marketing agency we were interested in why betting companies don't make more of this.

The Presidential Race in the USA has been set alight by the rise and rise of Donald Trump, likewise, the EU referendum has been pitched as an out and out battle between BoJo, Gove and the Prime Minister. It's a reality TV contest that couldn't have been cast any better for pure entertainment value.

Political betting can make bookies uneasy. The big punters tend to be wonks, political insiders who live, eat and sleep political data and naturally the industry is wary of taking serious money from people who might know more than they do. In the Scottish Referendum though, while the big

money went on "No", there were tens of thousands of small bets on "Yes" gambled by punters with hope in their hearts rather than a certainty about the result.

The reasons why political betting have sparked interest for 50 years still stand today. And with a 24 hour news cycle, instant messaging and social media, the possibilities for great marketing activities are immense.

We appreciate that most bookies' eyes are focussed firmly on Euro 2016 and marketing activities are directed accordingly, but with such a huge political year ahead, we think bookmakers might be missing a trick by not using this opportunity to do more to acquire customers.

In an industry where there is little to differentiate between operators, a lively social and traditional media campaign, that plays on topical changes in the political landscape could do more to attract new customers than news of Roy Hodgson's team selection. Playing on the passions that big political events tend to stimulate seems to us to be the perfect vehicle to establish a betting brand's credentials with a punting public.

Intelligent content, presented in an entertaining way could be a very cost-effective means of securing wider press coverage among a class of customer that we know is already engaged. Creatively there is a rich vein of comic content to be mined and yet, so far, there has been little evidence that is happening. Could it be that William Hill's squeamishness about mixing punting and politics is still prevalent among today's bookmakers if true it seems a shame, after all, as Disraeli said, "There is no gambling like politics".

Keith Duddy is the head of content at Dice London, a digital marketing agency that specialises in the gaming industry

OUT NOW: Make sure you grab your copy of the summer sports-betting special of *Gambling Insider*. The potential impact of the UK leaving the EU, the Horserace Betting Levy saga and potential casinos in the Eastern Med are just some of the other issues being looked at in depth

