



# WEEK 26

## FRIDAY 24 JUN 2016

### THIS WEEK

- Desmond loses Ladbrokes Coral merger appeal
- More Atlantic City casino workers vote to strike
- Another i-Poker hurdle cleared in California
- Guest Column: Andrew Daniels, Degree 53

Sponsored by



#### TOP STORY

## DFS IS ACHIEVING WHAT I-POKER HAS NOT

New York is set to regulate fantasy sports, so how did online poker get it so wrong?



The differences in how online poker and daily fantasy sports have been handled differently in the US continue to be made plain through recent developments in New York.

While online poker bill S5302 missed the adjournment deadline of 17 June, S8153, a bill seeking to legalise both daily and season-long fantasy sports, was passed 45-17 shortly after 2am on Saturday, and now only needs to be signed by Governor Andrew Cuomo to become law.

An industry-shaking legal dispute is set to come to an end, which came about after New York Attorney General Eric Schneiderman ordered FanDuel and DraftKings (FD/DK) to cease and desist operations in the state in November.

It is difficult to tell if the positive result in New York for FD/DK has come about as a result of the operators' decision to back down and pull operations out of the state in March, but there cannot be doubt that this must have at least aided in calming the atmosphere on the issue.

While the likes of PokerStars and Full Tilt could have been making pretty much the same point as FD/DK when they violated the terms of UIGEA, that their offerings were games of skill and should not be classed as gambling, their refusal to cooperate for over four years after UIGEA was passed

CONTINUED ON NEXT PAGE ►



# JUNGLE JIM

## EL DORADO

Meet our new golden boy @Microgaming #September2016



Unleash the BOSS MONSTER!

# MONSTER WINS™



**nyx**  
GAMING GROUP

sales@nyxgg.com | nyxgg.com/monster\_wins

## FROM FRONT PAGE ►

may have had an overwhelmingly negative effect for the i-poker industry overall in the long run.

Data collated by Global Betting and Gaming Consultants (GBGC) shows what anyone connected to the poker industry could have predicted; that the game is in decline and will continue to decline over the next few years. Global internet poker gross gaming yield fell from \$4.99bn in 2010 to \$3.87bn in 2014, and is forecast to fall to \$3.22bn in 2019.

Much of that decline could be put down to the drastic reduction of the North America share of the market, which has fallen from 59% in 2005 to 12% in 2015. US players outside of the three regulated states are still waiting for the opportunity to play online poker in their homes.

The upshot of all this is that US poker players are still suffering from a combination of blocks put in place by law and a lack of compliance with it from leading operators. FD/DK are not in control of the first part of that issue, but are in control of the second.

## KEY POINTS

- Fantasy sports are on the verge of being regulated in New York
- DFS has learnt from i-poker's mistakes
- The lack of legal co-operation part-fuelled poker's continuing decline

## MERGERS & ACQUISITIONS

### DESMOND LOSES LADBROKES CORAL APPEAL

**Ladbrokes shareholder's complaint regarding accusation of "false premise" on merger vote is not upheld**

The appeal board of the UK Takeover Panel has ruled against Dermot Desmond in his challenge over the Ladbrokes shareholders' vote on the merger with fellow operator Gala Coral.

The Irish financier, who holds approximately 2.72% of the issued share capital of Ladbrokes, took umbrage with the operator's disclosure, or lack of disclosure, of an agreement with Playtech before Ladbrokes shareholders voted to approve the merger in November.

The agreement saw Playtech awarded a £75m provisional contract, consisting

of £40m in Ladbrokes' shares and a further £35m in cash payable upon the meeting of certain operational milestones.

Speaking to fellow Ladbrokes shareholders at an extraordinary general meeting in November, Desmond said: "It is clear that Ladbrokes has failed to adequately disclose the basis for the extraordinary payment to Playtech.

"It was only in response to our requests that the Playtech amendment agreements were belatedly published on the company website."

Desmond appealed to the Takeover Panel for a review of Playtech's merger position, and whether deal stakeholders had provided sufficient information pertaining to the new contract.

The appeal board said: "Whilst the committee considers that the circular could reasonably have given more contextual information about the justification for the £75m payment, the committee cannot see that this would or could have resulted in any material difference to the outcome of the general meeting of Ladbrokes held on 24 November 2015."

## US CASINOS

### EMPLOYEES OF FOUR MORE ATLANTIC CITY CASINOS VOTE FOR STRIKE ACTION

#### Talks stall, meaning that five Atlantic City casinos are heading towards industrial in early July

Workers at four Atlantic City casinos have voted to go on strike, should they fail to receive what they consider to be a fair contract before 1 July.

Several thousand members of Local 54 of the Unite Here union cast ballots, with 96% voting to authorise the strike.

The action will affect five casinos, including Tropicana and Caesars Entertainment's three properties in the city - Bally's, Harrah's and Caesars.

Unite Here authorised a strike against the Trump Taj Mahal last year, and that same casino is also facing a walkout come 1 July.

The workers' primary complaint centres on the feeling that they are not seeing any of the benefits as Atlantic City begins to regain its financial footing, with all eight casinos

generating operating profit for Q1 2016.

Local 54 President Bob McDevitt described the current contract offers as "an insult".

Borgata, Golden Nugget and Resorts - the other three Atlantic City casinos - have been given an indefinite extension, the union stating that talks with the three have been making progress.

## ONLINE POKER

### CALIFORNIA I-POKER BILL CLEARS ANOTHER HURDLE

#### It's déjà vu for Adam Gray as AB 2863 is passed, but will regulation make it further than it did last year?

The issue of potentially regulating online poker in California has again reached the same stage it did last year, after AB 2863 was passed by the state's Assembly Appropriations Committee by a vote of 14-1.

Final amendments that had to be made to the bill meant that a vote could not be held last week, following a unanimous 19-0 vote

the bill received from the Assembly Governmental Organization Committee in April.

Two thirds of the total votes were required for the bill to pass, and while five members declined to vote, that has not prevented the bill from passing.

Among the amendments suggested by the Committee is a policy to suspend the granting of licences to operators that were active in the state between 31 December 2006 and 31 December 2011, which is potentially monumental as that would include PokerStars, which differs from a previous cut-off point of 31 December 2011 that did not include the i-poker giant. The proposed suspension would last until 1 January 2021.

The bill, introduced in February, will in theory now move on to the full chamber. It has passed the same stage that Adam Gray's online poker bill did last year, but a vote on that bill was never held by the full Assembly and it is not yet clear whether this year's bill will be any more successful.

Guy Bartlett, Business Intelligence Analyst

The power to transform your revenues

Kambi provide a fully managed Sportsbook solution. Our innovative global sports betting platform gives clients the complete package - everything from odds pricing to exceptional customer intelligence and risk management.

In addition, Kambi's Sportsbook effortlessly empowers operators by providing them with a scalable and secure foundation that delivers a leading player experience, while at the same time offering them the flexibility to mould the service to fit their unique strategy and brand.

kambi.com

**Kambi**



**SPORTS**



**CASINO**



**PAYMENTS**

Everything is possible.

## THIS WEEK IN NUMBERS

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

**2**

The number of seasons Dafabet will sponsor the adult shirts of Burnley FC, under the terms of their recent multi-million pound agreement

**\$500M**

Projected value of the Cowlitz Tribe's Washington State casino development, the name of which – the Ilani Resort Casino – was revealed this week



Number of online casinos in Hungary, with iSoftBet having agreed a deal to provide its full suite of mobile and desktop content to Vegas.hu



The number of judges now confirmed for this year's Global Gaming Awards



Hours a day to be covered by Sky TV's new eSports TV channel, formed in partnership with ITV and Ginx TV

**2**

The class of the license obtained by NYX from the Romanian National Gambling Office

**16.8**

Size in hectares of the gaming zone approved by the Crimean authorities, according to local newspaper Novyy Krym

**15M**

The number of additional ordinary shares Genting Singapore announced that its indirect subsidiary, Happy Bay Pte. Ltd, has subscribed for in Landing Jeju Development Co Ltd

**\$20.5m**

Amount sought by Hong Kong casino manager and owner Silver Heritage via an initial public offering

## GUEST COLUMNIST

## USING UX AS A CUSTOMER RETENTION TOOL



**By Andrew Daniels**  
Managing Director at Degree 53

Operators spend significant amounts of money on marketing and user acquisition to obtain consumers. Yet there is always the question of whether they will return after the first visit. To remain ahead of the competition, operators need to review their customer strategy and focus on the user experience (UX) to create brand loyalty.

The most successful gambling apps have the easiest and clearest UX. People like to follow a simple process to get to the desired destination. This means that the journey needs to be as effortless as possible, from registration to playing a game. If the UX is confusing or involves too many steps, consumers are more likely to abandon the product and never return.

### Define user strategy

The first point gambling operators need to address is their strategy and whether the customer journey matches it. It is important to view the app from customers' point of view i.e. what their objectives and expectations are when joining. This will help define the path to completing a transaction in the most trouble free way.

### Enhance customer journey

For compliance reasons, online gambling companies require new customers to

provide quite a lot of personal information upon registration. This can include entering standard details, such as name, address, date of birth and email. Users can also be required to provide a scanned copy of their passport or driving licence. This is all part of the required know-your-customer (KYC) process operators use to verify their customer's identities.

As registration is likely to be the first step to acquiring a customer, operators need to make it a seamless process, even if they still need to provide detailed information. Forms should have a progress indicator, so users are aware of their length, as well as any mandatory details. Entry fields can be more intuitive, for example, with an option to find the address by entering a postcode and using in-line field validation. If they need to provide proof of identity, the easiest way of making this process quicker, is adding a camera functionality for them to take a picture of their document without the need to leave the app. Payment details are fairly standard, and due to security requirements, operators can't use autofill. However, some apps now allow users to scan or take a picture of their bank cards instead of entering the number. This solution makes it easier to register with the required information and get to the fun part quicker.

### Get to the point

The aim of any gambling product is, of course, to enable customers to play a game or place a bet. Therefore, companies need to help them find relevant activities as quickly as possible. The UX needs to be intuitive and second nature to users for locating the right option. If registration can be a hurdle, the rest of the user interface needs to be very smooth. This includes having clear call to actions or instructions, easy navigation through the app and consistency in design.

### Start user testing

One way of finding out whether the product is truly working and appeals to customers is creating a prototype and testing it with real users before embarking on product development; potentially spending substantial amounts of money, time and resources on something that might not work. It can be as simple as including basic wireframes and images with touch points which would show the intended user journey. Involving actual customers in testing will show whether the product works in real life.

### Focus on the customer

As an example, banks are something a lot of people are reluctant to change, they'd rather stick with one for a long time. We've noticed some users switch their banks only because of unsatisfactory experience with their app offering, which says a lot about UX and its importance in customer retention.

We advise our clients to take part in our Product Design Sprints, which were pioneered by Google to determine if an idea or an existing product works. During Product Design Sprints, a new idea and testing is all done in the space of one week. We spend three days analysing challenges and brainstorming possible solutions, one day creating a prototype, and another day testing it with real users to ensure it meets business objectives. Product Design Sprints determine how the audience perceives the app and what UX principles need to be adopted to retain customers, without the need for costly development.

*Andrew Daniels is managing director of web design and mobile app developer Degree 53. He oversees a team that builds high volume, transactional digital apps. He previously worked for Betfred as head of mobile development*

**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**

