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THIS WEEK

- **GVC CEO urges advertising cutback**
- **LeTou CEO speaks to *G/* about problem gambling**
- **NASCAR to implement gambling regulations**
- **Performance Predictions CEO tells *G/* about PrizePicks**

GUEST COLUMNISTS:

- **Richard Thorp, FSB**
- **Arcangelo Lonoce, Habanero**

WEEK 41

FRIDAY 12 OCT 2018

GGA LAS VEGAS 2018 WINNERS REVEALED



Scientific Games and Aristocrat were the big winners at this year's Global Gaming Awards Las Vegas, scooping five prizes between them.

The fifth instalment of the Awards was held at a prestigious luncheon ceremony at the Sands Expo Convention Center, kicking off the G2E show.

SG Digital won in the Digital Industry Supplier category, as well as in the Digital Product category for its OpenBet sports betting platform, while Scientific Games also won the Land-Based Industry Supplier award.

Aristocrat was victorious in the Land-Based Product category for its Lightning Link game and the Slot of the Year category for its Game of Thrones product.

The winners were crowned in front of more than 700 industry professionals and were decided by an esteemed judging panel of 70 experts.

BetConstruct was the Lead Partner for this year's Awards, powered by *Gambling Insider*, while Konami, Gaming Inc. was the Content Sponsor.

We would like to thank our category sponsors; IGT, Greentube, Pragmatic Play, NetEnt, BettingJobs.com, FSB, Evolution Gaming, Asia Live Tech, Microgaming, Interblock, Scientific Games and Sportradar. ▶

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LAND-BASED OPERATOR

WINNER: *Hard Rock International*

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Hard Rock International took home the Award for the first time. The company recently announced plans to build a new gaming resort in Yuba County, California.



DIGITAL OPERATOR

WINNER: *Bet365*

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Bet365's success at the Awards continues, bagging the Digital Operator prize for the third time in four years. Bet365 is the world's largest digital operator in terms of generated revenue.



LAND-BASED PRODUCT

WINNER: *Aristocrat – Lightning Link*

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Aristocrat picked up its first Award of the ceremony for its Lightning Link product; a set of linked games that offer innovative bonus rounds, popular in the Mexican market.



DIGITAL PRODUCT

WINNER: SG Digital - OpenBet

The first SG Digital Award of the ceremony was for its OpenBet sports betting platform. OpenBet was incorporated under the Scientific Games umbrella, following its \$630m acquisition of NYX Gaming Group.

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LAND-BASED INDUSTRY SUPPLIER

WINNER: Scientific Games

Scientific Games showcased its consistency by winning the Award for the third time in four years. After acquiring NYX Gaming Group in January, the supplier positioned itself to supply sports betting to the US market.

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DIGITAL INDUSTRY SUPPLIER

WINNER: SG Digital

The success continued for SG Digital when it won the Digital Industry Supplier Award for the first time. SG Digital's gaming revenue almost trebled year-on-year to \$46.7m for the second quarter of 2018.

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CUSTOMER LOYALTY PROGRAM

WINNER: Caesars Entertainment Corporation – Total Rewards

Caesars Entertainment won this category, beating MGM Resorts' M life, the winner of all four previous years. The Total Rewards scheme enables guests to earn rewards based on gameplay, while customers can earn tier points from social gaming purchases online.

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PRODUCT INNOVATION

WINNER: Evolution Gaming – Evolution Lightning Roulette

Deemed to be the most revolutionary product created in the last 12 months, Evolution Gaming's Evolution Lightning Roulette incorporates traditional roulette with 'RNG Lucky Number' wins.

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RESPONSIBLE BUSINESS

WINNER: *GeoComply*

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GeoComply regained the trophy it won in 2016. An approved vendor in New Jersey, Nevada, Delaware, Georgia, Mississippi and West Virginia, GeoComply's technology brings safety and responsibility to regulated casinos and digital gaming.



SLOT

WINNER: *Aristocrat – Game of Thrones*

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Aristocrat was the inaugural winner in the Slot category. Based on the world-famous TV and novel series, Game of Thrones is available on Aristocrat's Arc Double cabinet and offers a four-level progressive game with a multi-site progressive jackpot.



PROPERTY

WINNER: *Borgata Hotel Casino & Spa*

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The first operator to win the Property Award, Borgata offers 3,400 slot machines, 250 table games, 2,000 guest rooms and a 2,400-seat entertainment venue.



AMERICAN EXECUTIVE

WINNER: *Joe Asher – William Hill US*

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Already in position to take advantage of the newly-regulated sports betting markets in New Jersey and Delaware, William Hill US has had a memorable year. This was in no small part down to the vision of Asher, the first to win the American Executive Award.

THIS WEEK IN NUMBERS

New betting tax in Ireland, the increase from 1% announced in its Budget for 2019



\$143.8m



Revenue generated by Maryland casinos in September

Number of gambling applications removed from Google Play store in Vietnam



30,000

Greyhound races to be broadcast from selected British and Irish tracks as part of 888's deal with SIS

£500,000



(\$657,400) – Amount Rank Group was fined by the Gambling Commission for breaching problem gambling rules

(\$100m) – Amount to which Denmark's Q2 betting revenue grew, the increase boosted by the 2018 World Cup

DDK 648.1



GVC CEO URGES ADVERTISING CUTBACK; MGM-GVC TARGETS CALIFORNIA

GVC CEO Kenny Alexander says he is in favour of cutting down gambling adverts on television.

GVC owns UK operator Ladbrokes Coral after its successful takeover in March and Alexander believes "most people" within the industry think there are "far too many" adverts.

The CEO has urged collaborative action before operators get to a level where regulators will be forced to intervene.

The Italian government recently imposed a blanket advertising and sponsorship ban on all gambling companies and the Labour Party has discussed a ban during live sport within the UK.

Alexander is most concerned with influencing an audience too young to gamble.

The GVC CEO said: "Most people in the gambling industry think there are far too many ads.

"We should make the changes collaboratively with the rest of the industry,

which might be difficult, and ultimately it's up to the government to decide if they want to legislate or not.

"Particularly around the watershed, the most vulnerable to gambling are the younger generation. Those who can gamble as well as those who can't at the moment but will be able to in a year or two.

"It could affect business but if there's a level playing field then it will affect everybody in the same way."

Elsewhere, MGM GVC Interactive LLC, the joint venture owned by MGM Resorts and GVC, has partnered with the United Auburn Indian Community (UAIC) in California.

California is yet to legalise regulated sports betting but MGM Resorts and GVC are aiming to capitalise on the US's "largest state by population" if any legislation is passed.

MGM Resorts and GVC would provide the UAIC with retail and mobile sports betting, as well as online casino and poker under the terms of the partnership.

LETOU CEO OFFERS PROBLEM GAMBLING STRATEGY

LeTou CEO Paul Fox has suggested an "exceptionally straightforward" policy that could "make a real difference" for problem gamblers.

LeTou was the shirt sponsor for Premier League football club Swansea City last season and is now a betting partner of Serie A giant Inter Milan.

Fox believes a ban on the amount of gambling advertising and sponsorship is not the right approach to reduce problem gambling.

Instead, the LeTou CEO is in favour of a collaborative method involving cooperation between the government, banks and the industry.

He told *Gambling Insider*: "In anything, I'm always in favour of a pragmatic, partisan approach, where you work together. One thing that I think should be done: any transaction has a code. In the gambling industry, the code is called a 7995.

"If I banked with the Royal Bank of Scotland and I was a compulsive gambler, if I wanted to stop but I closed one gambling account down, I can open up another one and every day there's new

firms popping up. There's just an unlimited amount of gambling companies; I know that I can always set up a new account with someone else.

"If I could go to my bank and tell the Royal Bank of Scotland that I have a gambling problem and don't want to gamble, all the bank has to do is block the 7995 and, any time I try to deposit, I won't be able to. That's something that would require the government, the banks and the gambling companies to work together.

"But it's an easy thing to do. The banks just hit a switch and the 7995 is blocked on someone's account. It's exceptionally straightforward and that's what I recommend. It's a lot easier to open a gambling account than a bank account."

Fox was speaking exclusively to *Gambling Insider* for the November/December issue. Click below to read the full interview on problem gambling, football sponsorships and regulation.

[Click here for an exclusive interview with LeTou CEO Paul Fox](#)





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THE WEEK IN QUOTES

“A nice organisation has been set up, but politics has not delivered what we were promised at the start of the Gaming Authority: a toolbox to steer online gambling on a regulated market. I’ve become pretty cranky now and again.”

Outgoing Kansspelautoriteit chairman Jan Suyver expresses disappointment in the Dutch government

“Few have played a more central role in the growth and transformation of the gaming industry than Bobby and his contributions over more than three decades are immeasurable.”

MGM Resorts discusses the approaching departure of former poker world champion Bobby Baldwin

“Malta is a country with a perfect reputation and steady political and economical system. It is also a proved member of the EU, so Malta licensing is considered a reliable online gaming regulation all over the world.”

Boss Gaming COO, Catalina Lukianenko, discusses the benefits of setting up shop in Malta

PERFORMANCE PREDICTIONS CEO UNVEILS PRIZEPICKS

Since the repeal of the Professional and Amateur Sports Protection Act in May, all the talk within the US has been about legalised sports betting.

Not for Adam Wexler.

The Performance Predictions CEO has remained fully focused on daily fantasy sports (DFS), even if that meant seeing “the worst of times” as well as the best.

That’s exactly why he created MyPrizePicks.com - not just the latest DFS product to hit the market, but what Wexler believes will create a genuine and lasting legacy within US sports.

Wexler told *Gambling Insider*: “I think it’s pretty simple. I’m pretty convinced, and I think our private beta testers would attest to this, that we’re creating the biggest category in fantasy sports over the next decade.

“We’re at the forefront of it right now; I expect others to get in. But, in the meantime, we are pioneering this brand new category. Imagine the

FanDuel of 2012. It’s a similar dynamic in that sense. A lot of media companies, casino groups and the like are trying to figure out how to break into the legalised sports betting market.

“While legalised sports betting is relegated to only a handful of states right now, a solution like ours is applicable in the great majority of the US. This is one of the most viable ways to appeal to a wide demographic.”

Wexler has experienced the lows of the DFS journey during his time working on another product, SidePrize. However, the Performance Predictions CEO is determined to persevere with the fantasy market.

He explained: “I always saw light at the end of the tunnel. I knew consumers were still going to play DFS in the US. I just needed to come up with a viable formula and taking all those learnings is ultimately where we landed with PrizePicks.”

WINNERS

USBookmaking – Agreed to provide sports betting risk services at Santa Ana Star Casino & Hotel in New Mexico, launching on 16 October

AGS – The supplier has been awarded Pennsylvania licenses to manufacture slot machines and table games

Scout Gaming – Entered into a partnership with Metric Gaming to target the regulated US market

Football Index – Added three new board members, including a new CFO

Inspired Entertainment – Lost the Vice President of its interactive division, Lucy Buckley, who moves to Nektan as CEO

LOSERS

NASCAR TO IMPLEMENT GAMBLING REGULATIONS IN 2019

NASCAR President Steve Phelps has said the motorsport series is ready to implement guidelines on sports betting in 2019.

Last weekend, the Dover International Speedway took sports wagers for the first time, becoming the only track so far to allow gambling on a race.

Dover is based in Delaware, one of five US states where sports betting is legal, with the state regulating the practice just three weeks after the repeal of the Professional and Amateur Sports Protection Act in May.

Phelps said: "I think for 2019, we'll have some rules that we'll put in place.

"For right now, there'll be betting here. We'll study and see how that goes, but I think we'll have some rules in place for sponsorship, for what betting looks like, and continue to see what happens in the landscape overall."

Notably, NASCAR does not currently

stop its drivers or team members from betting on races.

However, Phelps said some of the rules will be clarified next year, while also commenting on NASCAR's attractiveness to potential sponsors.

He said: "The way the rulebook looks today, I think the teams and the drivers understand what it looks like today, and I think we'll clarify for 2019 with more specific language in it.

"From a sponsorship standpoint, I think sponsorship will definitely gravitate to NASCAR as most sponsors do because of the return on the investment they can get because of the visibility it has."

The products betting companies can offer for NASCAR are varied. On-site kiosks have been offering standard odds to win bets, but fans can also place wagers on who will be in first place at lap 120 and lap 240 of the race.

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OHIO RISES AGAIN

Ohio gaming revenues grew 4% in September, up for the 21st consecutive month.

Individual property growth was led by MGM Growth Properties' Hard Rock Rocksino, which was up 12% to \$21.8 million. MGP acquired the property in July for \$1.06 billion.

MGM is buying Hard Rock Rocksino's operations for \$275

million. That acquisition should close in the first half next year.

JACK Entertainment's combined properties, which led the state in terms of year-on-year growth, grew for the fourth straight month.

September had nine Fridays and Saturdays this year versus 10 last year, but with an extra Sunday this time around.

PROPERTY/MARKET	REVENUE (M)	% CHANGE
Hard Rock Rocksino (MGP)	\$21.876	+12.05
Thistledown (JACK)	\$10.298	+10.18
Miami Valley Gaming (CHDN)	\$13.442	+9.00
Scioto Downs (ERI)	\$14.445	+6.90
Hollywood Mahoning Valley (PENN)	\$9.823	+5.53
Belterra Park (PNK)	\$7.327	+4.77
JACK Cincinnati (JACK)	\$16.170	+3.10
Hollywood Dayton (PENN)	\$8.519	+2.59
Hollywood Toledo (PENN)	\$16.283	+0.14
JACK Cleveland (JACK)	\$16.601	-1.11
Hollywood Columbus (PENN)	\$17.427	-4.94
State total	\$152.210	+3.98

CINCINNATI

PROPERTY/MARKET	REVENUE (M)	% CHANGE
Belterra Park (PNK)	\$7.327	+4.77
JACK Cincinnati (JACK)	\$16.170	+3.10
Cincinnati total	\$23.497	+3.62

CLEVELAND

PROPERTY/MARKET	REVENUE (M)	% CHANGE
Hard Rock Rocksino	\$21.876	+12.05
Thistledown (JACK)	\$10.298	+10.18
JACK Cleveland (JACK)	\$16.601	-1.11
Cleveland total	\$48.774	+6.83



GI FRIDAY... A GREAT END TO A WEEK

GUEST COLUMNIST



ARCANGELO LONOCE

HEAD OF BUSINESS
DEVELOPMENT AT HABANERO

Arcangelo Lonoce, Head of Business Development at Habanero, discusses the importance of being able to adapt to an ever-changing landscape in a responsible and timely manner

With the Swedish market set to re-regulate early next year and the Italian Parliament introducing a blanket ban on gambling advertising, it has never been more important for suppliers and operators to ensure they have their finger on the regulatory pulse.

For years, the mature European market has been the very definition of how various robust frameworks can protect players, while still ensuring that growth is achievable, and betting remains a fun and safe form of entertainment.

The reason Europe enjoys this reputation is because it creates a safe environment for all. However, regulatory rules can rapidly change and impact some of the most-established regulated markets. Take the 2018 Italian advertising ban for example.

More than half of Italy's Serie A teams were sponsored by betting companies at the time of the ban. A statement from the league was issued saying that preventing companies in this sector from investing in promotions would result in distinct competitive disadvantages to Italian clubs versus other European clubs.

It's a similar story in Ireland, with sports betting tax doubling from one to two per cent, applying to retail, online and telephone sportsbook accounts, while money taken from Irish players on the exchanges will be taxed at between 15 and 25 per cent.

This just shows how fleet-footed and how quickly the online gaming industry needs to be to react to stay in touch with and adapt to regulatory changes. Those who don't risk being left behind, hefty fines and even license suspension.

CONTENT IS KING – BUT KNOWLEDGE IS POWER

Habanero prides itself on creating the most immersive titles on the market and issues such as the Italian ban mean it has never been more important to ensure the quality of our offering stays at the highest level, with retention across all channels the key to sustainable growth.

With a wide range of slots available, including recent releases Jump! and Knockout Football, as well as timeless favourites Fa Cai Shen and Egyptian Dreams, Habanero is well equipped to help operators create engaging content designed for retention, ensuring that they are less dependable on advertising to acquire and retain players.

Creating 'must-have' content is a huge part of being successful, but it also means we must invest a great deal of time and resources into understanding the regulations of each and

every jurisdiction, both actively regulated and soon-to-be-regulated markets.

Already a success story in Asia, Habanero has made a conscious effort to make a name for itself in both Western and Eastern Europe since the turn of the year. A growing force in the Italian market, it has games certified in 12 other jurisdictions with Spain and Portugal now in the pipeline.

By employing the very best talent, as well as those gaming professionals with experience of each market we are entering or investigating, Habanero has witnessed significant month-on-month revenue growth, including our European business, which has risen by more than 500 per cent in the past six months.

We currently boast 39 certified games and remain committed across a concurrent total of 14 (and more) European jurisdictions. Progression in our expansion is also helped by having joined forces with the likes of iForum and PlayAGS, which gives certain European operators access to our full range of titles.

All releases are certified for their fairness via independent testing labs, so players and operators alike can rest assured that they are receiving the best quality, fairest, safest and most transparent forms of entertainment.

TIME FOR A UNIFORM LEGISLATIVE LANDSCAPE

While the whole industry must place attention on overcoming the hurdles European regulators put in front of them, it is not always easy to do so when technology is advancing at such a rate that legislation can rapidly become outdated.

Of course, gambling needs to remain fun and fair and the industry must continue to balance this if it is to thrive, but streamlining the process would be a more efficient and cost-effective measure to create a uniform landscape when entering new markets.

Like Italy, Malta has also looked to make the industry a more rigorous and effective place and, should anybody fall short of their high standards, the regulator would have more control to intervene and sanction breaches.

Not only does this help improve customer protection, but also comes as a warning to those who think they are above legislation.

On the other hand, while protection is key and well-rounded concise legislation protects everybody, it is vital for all players in the industry, being government, government-appointed regulators, as well as independent regulators, to bear in mind the important fact that it remains vital online gambling stays profitable.

In other words, with a sufficient incentive to operate and supply under a regulatory framework. Sophisticated legislation has to balance the interests of the three participants in the industry: government, players, and operators.

So, while many operators and providers are quite rightly placing a lot of their resources into preparing for entering new markets, changes in Italy and Ireland are a constant reminder that the regulatory landscape is an ever-changing one, even when it comes to mature markets.

GUEST COLUMNIST



RICHARD THORP
BUSINESS DEVELOPMENT
DIRECTOR AT FSB

Richard Thorp, Business Development Director at FSB, assesses how only the finest and most flexible technology from Europe will drive a true sports betting revolution stateside

There's an old saying that science proceeds one funeral at a time. While no-one wants an early grave, it is an unfortunate-yet-undeniable trait of the human species that we are often reluctant to accept new information. Or, at least, effectively embrace it. Past a certain age, some people just don't want to know.

Which is fine if you're still committed to communicating with your grandson via pen, paper and the postman. It's slightly more problematic if you're trying to make it in the land of sports-betting opportunity that has opened up post-PASPA repeal stateside. Nevertheless, in the mad scramble to get products online and be as operational as possible, it appears most operators are falling back on antiquated, legacy platforms to ensure short-term wins. However, these "solutions" will quickly become impediments to progress that will need to be replaced in a rapidly-changing landscape.

This regulatory US watershed, of course, unlocks perhaps the largest betting gateway in the global market (okay, unless China opens up). Although everyone wants to move fast in, say, New Jersey and Delaware, state-by-state legislation will go slow for the vast majority of states. Operators would be wise to proceed with caution too, since many of these legacy platforms demand multiple millions spent, coupled to an arduous installation process of many months before you can even start taking bets.

Instead, it is the flexibility and economies of processing power, brought about by automated technology, which will facilitate the best service in a highly fragmented American marketplace. Software is now the key variable for launching any sportsbook. It will deliver the lowest operational costs and adapt to geo-localisation requirements of varying regulation. After all, in the US, every state is independent, with its own specific laws - not to mention taxation. What is for certain, though, is you'll be able to run a sportsbook in the cloud to some hugely beneficial degree.

More specifically, when it comes to artificial intelligence, on-demand data feed services and automation have superseded and surpassed traditional odds compiling and trading desks. Just five years ago, it was a wafer shy of impossible to run an automated sports betting platform. Today, it is quickly becoming standard

procedure. At FSB, we now run 35 different sports betting brands across eight platforms in 10 different countries, with a full-time trading staff of a dozen focused on risk. Automated technologies provide tangible benefits to margin and pricing for those operators and suppliers in a position to embrace them, and are also improving customer profiling and risk-management. This step change in performance is only growing steeper.

This is why it's better to weed out the legacy sports-betting platforms now (some of which date back to the turn of the millennium). These hulking monoliths were simply built for another time, whose moment has passed. Cue the current European transatlantic invasion, boasting technology that is significantly more advanced than that of its outdated American partners, who'd previously never needed an imperative to evolve for sportsbook.

However, this is by no means to say that all European outfits have invested wisely in their tech. Over the last decade, software development tools and systems architecture has fundamentally altered. Sure, these legacy suppliers list some of the biggest sports betting operators in the UK as their clients, but these same flagship customers have all been overshadowed by a certain start-up called Bet365, which took control of its platform and was not held back by an old-school supplier.

Cost-effectiveness is one of the main reasons why the fully-managed services have become the fastest growing sector in the market today. This business model is great for anyone who does not want to buy a platform, hire a trading team and operate a sportsbook. This can include large and small casino operators (there are literally a thousand of these stateside of varying creeds) while approximately 15 huge multi-state players still remain the crown-jewels targets.

But I would propose that any multi-state operator that wants to capture a telling market share in the US should find a path to maintaining better control over their business. Purchasing a legacy technology platform that needs to be installed into each state for a few million quid is hardly an appealing proposition, though. This is where licensing a highly automated sports betting platform, driven by data feeds, can offer the benefits in retaining full control with the cost efficiency of a managed service.

I remain extremely optimistic about the US market for sports betting. Granted, it will doubtless prove a long and winding road. Yet, when you're looking to harness a market worth some \$5bn or more, it's well worth the effort.

So, while the jury is still out on regulation, the science on software is in. Selecting the right technology partner could spell the difference between winning market share and dodging a sportsbook coffin. As I said, no one wants an early grave.

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