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WEEK 50

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UK IN-PLAY BETTING ADVERTISING BAN CONFIRMED

THIS WEEK

- **Exclusive: Kenny Alexander lays down a gauntlet for GVC**
 - **Exclusive: Dave Hammond on his new role as SBTech COO**
 - **888 buys out All American Poker Network**
 - **Gambling expansion gives Pennsylvania \$385m boost**
- GUEST COLUMNIST:**
- **Anthony Evans, VP Product Strategy, Playtech**



The Industry Group for Responsible Gambling (IGRG) will implement a whistle-to-whistle ban on all TV betting adverts during pre-watershed live sport.

Members will not show adverts from five minutes before the event begins until five minutes after it finishes.

Further measures include a block on betting ads around highlight shows and re-runs, and preventing bookmakers from sponsoring sports programs pre-watershed.

The changes to the IGRG's Gambling Industry Code for Socially Responsible Advertising are expected to be introduced in the summer of 2019, but will exclude horse and greyhound racing programs.

After reports of discussions on the ban surfaced, Sky UK & Ireland CEO Stephen van Rooyen criticised the plans, arguing it distracts the public from the "inconvenient truth" that more than 80% of gambling advertising takes place online.

He wrote in The Times: "You could be forgiven for thinking this sounds a reasonable plan. The truth is the facts paint a very different picture.

"What the RGA has failed to address is the inconvenient truth that over 80% of the gambling industry's advertising is in the largely unregulated online world.

"If the RGA and gambling companies are serious about protecting vulnerable gamblers, they should start by looking at where they spend the most money, what has the least level of regulation and where there is most evidence of harm: the online world."

Considering the source – a television broadcaster set to miss out on advertising ►

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THIS WEEK IN NUMBERS

18%

The percentage of players who said they would stop betting on live sports if there were no in-play adverts



January 2019, the date new horseracing channel Sky Sports Racing will go live

£14.41bn

The British gambling total gross gaming yield for 2018 (£18.27bn)



1000

The average amount of monthly events covered by LVision's new AI data tool

45,500m²

The floor space at 2019's ICE London show



revenue – van Rooyen felt the need to address the potential accusation of bias.

He added: "These aren't the views of a broadcaster scared of losing TV ad revenue; quite the opposite.

"Last month, we voluntarily agreed to limit the number of gambling ads to one per commercial break. And we're using our AdSmart technology to enable people to block gambling advertising if they wish."

After reports of the ban surfaced, shares in Ladbrokes Coral owner GVC fell 5% and 888 Holdings dropped 4%. Paddy Power Betfair and William Hill also saw share prices decrease by 3%.

These declines were attributed to fears of a negative effect on earnings as a result of the ban, and Alex Kelham, partner at law firm Lewis Silkin, said: "Clubs get most of their money from broadcast rights and this agreement may mean the value of broadcast deals go down, which will hit the clubs hard in the long run."

According to Harris Interactive, 35% of the UK public had heard about the potential ban on the day of it being reported, which makes up 51% of those who currently bet on sports online, based on extrapolated data.

A resounding 81% agreed with it, although that number was 66% representing those who currently bet on sports.

Despite support from the public, it remains to be seen whether they believe this is enough to reduce problem gambling. Harris Interactive says it sees an even split between those agreeing and those disagreeing this will "help reduce the issue of problem gambling." Its data analysts say it saw a very similar theme when looking at reaction to the government review into fixed-odds betting terminals.

This week, further responsible gambling efforts have been ramped up by Barclays, which has launched a new feature allowing customers using its mobile app to "turn off" spending with certain types of retailers.

The bank has broken different retailer types into five categories, including: groceries, restaurants, petrol, premium rate websites and phone lines – and gambling.

GambleAware CEO Marc Etches said: "GambleAware welcomes this initiative by Barclays, which we hope will encourage other banks to do the same.

"There are 340,000 problem gamblers in Britain and a further 1.7 million at risk and initiatives like this can play an important role in helping to reduce gambling-related harms."

For further analysis on the ban, see the Gambling Insider editorial team's debate on the issue here

GVC CEO WANTS £20 SHARE PRICE IN THREE YEARS

GVC Holdings CEO Kenny Alexander is aiming to raise the company's share price to £20 (\$25) within three years.

In an exclusive interview with *Gambling Insider* at the end of 2015, Alexander predicted the operator would become the world's biggest online sports betting group within five years.

That prediction has already come to fruition through the acquisition of Ladbrokes Coral in March and, when asked where he hopes GVC will be in another three years, Alexander projected a share price of £20.

GVC was trading this week at £6.54 per share, although that price has fallen from a high of £11.70 at the end of July. The operator was among several gambling firms to have suffered a fresh drop in share price following reports of a voluntary whistle-to-whistle betting advertising ban during live televised sport.

He told *Gambling Insider*: "It's all about delivering shareholder value. In three years' time, I'd hope the share price is £20. That's what I would like to think.

"How do we get there? We have quite a few ideas. The US is obviously going to be important. Organic growth and grabbing market share in our key markets will be important and we might do more M & A.

"But what I want to do is get to £20 and reward our shareholders. I'm a shareholder as well and that's what it's all about."

Alexander was speaking exclusively for the CEO Special of the *Gambling Insider* magazine.

Register here for free access to the full interview when it is published in January.





The percentage of players who would bet on live sports matches less often if a ban on in-play adverts was introduced



The amount of HTML5 video slots made available to Scommesseltalia customers through its deal with Pragmatic Play



Applications for gaming licenses received by Swedish regulator Lotteriinspektionen, ahead of the market's re-regulation in 2019

NEW SBTECH COO LOOKS AHEAD

SBTech's new Chief Operating Officer Dave Hammond spoke exclusively to *Gambling Insider* after his appointment last week.

Why was the time right to join SBTech as COO?

Having had the opportunity to view SBTech from the outside and see their successes across Europe and the US, the chance to join this phenomenal company was not one I could really pass on. I was fortunate to know and previously work with some of the SBTech management team, so I already knew the quality of the people in place.

What are the main challenges SBTech currently faces and how will you address these?

We have invested heavily in quality and quantity in every area from people, technology, infrastructure through to marketing, support and, of course, product. How these areas all interact and share their collective knowledge and analytical learning will help drive the future waves of success for SBTech. Allowing people to be successful and drive their units based

around common beliefs and proven best practices is a simple, but crucial, way of ensuring ongoing market leading offerings.

Do you think online sports betting will change over the next few years? Do you think it needs to change?

It would be naïve to think by the end of 2023 current products and player behaviours would not have changed in a quantum measure from where the offering is today. The betting industry, and especially SBTech's multi-territory operations, has such a volume of data which will allow us to expand data scientist teams creating AI and ML projects to transform the way we create and morph our offerings.

In five years, where do you want SBTech to be?

The answer is simple; we must maintain our B2B supplier status by increasing product, technology, market and client reach. In short, we must innovate and deliver. In five years, I expect SBTech to increase its dominance in our current markets and to serve new products to a wider portfolio of clients in numerous newly-regulated and regulating territories.

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"We didn't want to be the same.

Everyone has their own strengths and weaknesses, but we decided we did not want to go in the same direction. We want to create our own style and model so that's where our live casino actually came into play."

Asia Live Tech Marketing Manager Erwin Dickman discusses its latest baccarat jackpot feature with *Gambling Insider*

"Catena Media made a very good decision in December 2016 by acquiring a lot of assets in the US. It was predominately casino and poker but also a lot of sport assets. Because they were not properly run they had no value. It was a double jackpot when they opened up sports betting because then we had well over 40 extremely good domains already up and running, writing about sports."

Catena Media CEO Per Hellberg exclusively tells *Gambling Insider* about Catena's US ambitions

"We want our audience to be excited. Horseracing is such a fantastic sport and there have been so many great stories over the years. We'll have racing news every morning and every evening and we'll be able to really monster the big events."

Sky Sports News CEO Andy Cairns talks about the launch of Sky Sports Racing

THIS WEEK'S WINNERS AND LOSERS

WINNERS

Sportradar - The global data supplier signed a multi-year partnership with NASCAR

Intralot appointed Fernando Ors Villarejo as its new President of Sports Betting

UK MPs will investigate the link between video games and gambling

Sazka and SBTech have continued their sportsbook agreement

William Hill and Paddy Power are reportedly facing lawsuits after accepting wagers made with stolen money

LOSERS

888 FULLY ACQUIRES AAPN

Operator 888 has announced the acquisition of the remaining 53% of All American Poker Network (AAPN), operated by 888 and WSOP, for \$28m.

The gaming company established AAPN as a joint venture with Avenue OLG Entertainment in 2013; it has now acquired all of its partner's shares, as well as those of minority shareholders.

888 generated \$77.9m from poker in 2017, which was down 8% and accounted for 16% of the group's total revenue.

888 said the acquisition is an important milestone that can facilitate its future growth plans in the US.

The deal will see 888 gain full control of how the company grows within the US, solely deciding future partnerships and when and where to expand AAPN.

The operator has been active in the regulated New Jersey online poker market since its launch in 2013, and is also licensed in Nevada and Delaware. 888Sport launched in New Jersey

in September, following the Supreme Court's repeal of the Professional and Amateur Sports Protection Act in May.

In October, 888 became the first online gaming operator to agree a sponsorship deal with an NFL team by partnering with the New York Jets.

Itai Frieberger, CEO of 888, said: "The acquisition of the remaining stake in AAPN is an important strategic step towards 888 achieving its exciting long-term potential in the US.

"Taking outright ownership of AAPN gives 888 additional operational, technological and commercial flexibility to develop innovative and exciting new partnerships and launch in new states – through both B2B and B2C channels – as and when future regulation allows.

"It (the AAPN JV) has afforded us the flexibility and financial capability to build a position in the regulated US market over the last five years whilst also investing in other global regulated markets."

EXPANDED GAMBLING IN PENN GENERATES \$385M+

The gambling expansion bill brought Pennsylvania more than \$385m during its first year since being passed in 2017.

Since late 2017, Pennsylvania has brought in more than \$1m per day from gambling. This has been down to upfront licensing fees for casinos, sportsbooks, tax revenue from lottery expansion and daily fantasy sports, among others. The state has collected \$94m in online gaming licensing fees, as well as \$60m from online sports betting licenses.

The estimates were put together by PlayPennsylvania.com using official statistics. However, Pennsylvania has estimated the state is set to generate more than \$34bn in general revenue funds during its 2018-19 fiscal year.

Jessica Welman, analyst for PlayPennsylvania.com, said: "The most notable aspect of the significant revenue that has been generated is that this is almost completely from fees, rather than tax revenue gained from gamblers.

"Clearly there is enough interest in Pennsylvania's enormous market so far to generate the fees."

The only sports betting operation currently available in Pennsylvania opened in November at the Hollywood Casino at Penn National; but more sports betting venues are also expected to open towards the end of December and in January.

Dustin Gouker, lead sports betting analyst for PlayPennsylvania.com, said: "The addition of retail sports betting should help buoy a slowing Pennsylvania casino industry. If New Jersey is any indication, though, the more significant revenue generator will be online sports betting. "A successful rollout there should generate millions of dollars in tax revenue for the state."

Meanwhile, west of Pennsylvania, a sports betting bill has been pre-filed in Missouri that includes charging licensed sportsbooks a form of integrity fee.

Sports betting is not yet legal in the state, but Representative Cody Smith became the second lawmaker to pre-file sports betting legislation which included a royalty fee.

NJ SAME STORE REVENUE FALLS

New Jersey same-store gaming revenue fell 2.69% in November, as newcomer casinos Hard Rock and Ocean continued to take market share from existing properties.

Including those two casinos, land-based revenue grew 12.57% and total revenue, including online gaming and sports betting, soared 24.67%.

Resorts, which is closest to both those new casinos, was the only casino to grow revenue year-on-year, up 9.87%.

Resorts' customers that had originally left to experience Hard Rock and Ocean began returning to Resorts in November, with positive coin-in growth throughout the month, Mohegan Gaming COO Tom Burke said in the company's recent conference call.

Sports betting handle grew 26.86% in November over October, while revenue soared 81.79% for the same comparable period.

Online handle, which was \$238.615m, more than doubled retail handle at \$92.133m.

Sports betting revenue was led by Resorts Digital, which offers online and mobile betting via DraftKings and The Stars Group's BetStars, which launched mobile betting in late October.

Golden Nugget once again led online gaming, in terms of revenue generation and year-on-year growth, while online gaming as a whole grew double digits once again, despite online poker's fifth straight month of decline.

MARKET/PROPERTY	REVENUE (M)	(%) CHANGE	TABLE HOLD (%) 2017	TABLE HOLD (%) 2018
Resorts	\$16.439	+9.87	19.9	19.2
Caesars (CZR)	\$22.300	-2.83	21.7	17.2
Tropicana (ERI)	\$25.394	-3.89	20.3	17.8
Golden Nugget	\$16.360	-6.41	17.5	20.9
Borgata (MGM)	\$55.789	-7.06	15.6	16.2
Bally's AC (CZR)	\$14.362	-7.47	19.5	18.0
Harrah's (CZR)	\$25.349	-10.94	18.1	15.4
Hard Rock	\$21.493	N/A	13.1	0.0
Ocean	\$11.698	N/A	8.4	0.0
Land-based total	\$209.185	+12.57		
Same Store	\$175.994	-5.29		
MULTIPLE PROPERTY COMPANIES:				
Caesars	\$65.938	-6.19		

INTERACTIVE

MARKET/PROPERTY	REVENUE (M)	(%) CHANGE	SHARE (%)	PARTNER
Golden Nugget	\$9.208	+48.66	34.2	PPB, GAN, NYX
Caesars (CZR)	\$3.927	+16.97	14.6	888, NYX
Borgata (MGM)	\$4.795	+12.36	17.8	GVC, Pala
Tropicana (ERI)	\$3.394	+4.00	12.6	Gamesys
Resorts Digital	\$3.573	+1.28	13.3	NYX, TSG
Hard Rock	\$1.315	N/A	4.9	Gaming Innovation
Ocean	\$0.732	N/A	2.7	GAN
Online gaming total	\$26.944	+30.73		
Same store	\$24.898	+20.80		
Casino	\$25.382	+35.01		
Poker	\$1.562	-13.71		

SPORTS BETTING

MARKET/PROPERTY	REVENUE (M)	PARTNER
Resorts Digital	\$7.172	TSG/DraftKings
Meadowlands	\$7.043	PPB
Ocean	\$2.825	WMH
Monmouth Park	\$2.679	WMH
Borgata	\$1.072	IGT
Bally's	\$0.178	SGMS
Resorts	\$0.158	SBTech
Golden Nugget	\$0.131	SBTech
Tropicana	\$0.109	WMH
Harrah's	-\$0.124	SGMS
Total	\$21.244	
NJ Total	\$257.373	+24.67%
NJ Same Store	\$200.891	-2.69

GUEST COLUMNIST



ANTHONY EVANS
VP PRODUCT STRATEGY,
PLAYTECH

Evans discusses the future of integrated content and customer engagement

Player expectations of betting and gaming operators have changed. With a groundswell of consumers transitioning from retail and desktops to tablets and smartphones, and often back again, operators are having to raise their game to increase convenience and easy movement between platforms to ultimately increase real-time engagement.

Over half of online gamblers used mobile phones and tablets in Great Britain in 2017, according to the Gambling Commission. Those that gamble online have an average of four betting accounts. With distractions at an all-time high, and competition rampant, the rules of the game have changed.

Players need technology allowing them to seamlessly transition across games and platforms with the same wallet, and they need games that are adapted to their interests.

This presents both challenges and opportunities to operators as they rise and adapt to meet growing consumer expectations. Operators must prioritise personalised customer experience and real-time interaction if they want to keep consumers engaged.

Artificial intelligence and data-driven insights are at the forefront of this transformation. Through harnessing the power of AI, operators can create flexible CRM journeys tailored to every player, identify the right intervention trigger points via unique predictive models and enable auto-customer-clustering and optimising player segmentation.

Operators can collect more data than ever before, which means they can personalise certain games based on player behaviour, releasing extra features as the gameplay progresses. They can also engage players with advanced targeting and personalised incentives, such as play-for-fun games, missions, achievements and, of course, bonuses.

Real-time messaging can be a game-changer too. Operators can now connect with players while they're at their most absorbed on the platform, with instant, compelling and timely communication. Customer

feedback suggests between 30% and 50% of casino players opt out of email and SMS marketing at sign-up. Engaging with users while playing is hugely important; especially the first time a player engages with an operator.

Playtech's Age of the Gods is a prime example of this in action. The Age of the Gods suite is the end result of big data analysis designed to improve the probability of the success of the series. Games across the suite are supported by in-game messaging and engagement 360 technology to support cross-product campaigns and incentives, all in real-time.

As well as this, the latest enhancement to Playtech's IMS (Information Management Solution), our new integrated Engagement 360 platform, offers all the tools needed to create a personalised end-to-end player journey, driven by actual and predicted behaviour.

With operators increasingly focused on player well-being and the necessity of promoting responsible gambling, it's important to note this data can be used effectively to enhance player welfare as well as for commercial benefit. Our BetBuddy platform allows operators to easily benefit from its pioneering leverage of "big data" to assess player risk and identify and minimise harmful play. Operators can now detect potentially problematic behaviour before it happens and personalise and tailor communications accordingly.

Companies must now all be focused on deploying responsible gambling strategies. This is best done through technology. Self-exclusion offers are limited, whereas predictive analytics will enable you to spot the signs of a potential problem gambler, be it through the volume of deposits and size of stakes and allow content and messaging to be tailored accordingly. A big example is promoting lower-volatility games, encouraging lower deposits, or offering help to the user.

"Through harnessing the power of AI, operators can create flexible CRM journeys tailored to every player"

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