



Sponsored by



WEEK 51

FRIDAY 20 DEC 2019

ANALYSIS: IS CREATIVE MARKETING NULL AND VOID FOR BOOKIES?



GI FRIDAY... A GREAT END TO THE YEAR



Sponsored by



THIS WEEK

- **Bet365 reports full-year financials**
- **Industry reacts to UK General Election result**
- **Zimpler files Trustly complaint in Sweden**
- **AGA director speaks to *GI* about new AML guidelines**

GUEST COLUMNIST:

- **Bryan Shumway, Stats Perform**

WEEK 51

FRIDAY 20 DEC 2019

ANALYSIS: IS CREATIVE MARKETING NULL AND VOID FOR BOOKIES?



Speaking on a Genius Sports Media marketing panel last week, Sam Behar, Head of Global Marketing at Marathonbet, gave his opinion on betting companies thinking outside the box.

He said: "Creativity and branding is almost null and void in our vertical; when everyone is predominantly selling the same thing, it's very difficult to have a creative stance that cuts through."

Behar is certainly not alone in sharing this opinion. It's one I have heard repeated at multiple industry events from executives at every level.

But, if creative marketing is truly futile when the offerings are so similar, what is the key to getting the customer to bet with you?

HAPPY HOLIDAYS from **GI**





THIS WEEK IN NUMBERS

Pennsylvania's regulated sports betting market saw a 31% month-on-month increase in handle for November, with total wagers amounting to \$316.5m

31%



\$25,000

The amount Unibet's Australian platform was fined (US\$17,115) for illegally offering gambling inducements to consumers in New South Wales



Betdaq has introduced a 0% commission on most sports on its exchange platform, excluding football, horseracing, greyhounds and cricket

0%

Iowa's sports betting revenue saw a 36% month-on-month decline, to \$3.6m, despite an increase in total handle

36%



3%

The Brazilian Government is set to levy a 3% turnover tax on licensed betting operators in Brazil, instead of the proposed 1% rate

Behar argued it is about focusing on what you do best. He explained how, after achieving best price on 34 out of 38 weeks last season in the English Premier League, Marathonbet now focuses its marketing strategy on offering the best odds on football.

Behar said: "That's the message. I don't want to create anything with a fluffy emotive response. I just want them to remember Marathonbet is best price on football."

In a saturated market like the UK, boasting the best odds might certainly boost Marathonbet's chances of acquisition, and it's a logical marketing strategy for a company trying to grow its customer base in a market in which it's not so well-known.

However, there are also those who believe a saturated market is one in which creativity is most essential. The best odds, after all, are still just odds, the same product offered by the rest of the market.

Paddy Power is one example of a company which prides itself on its creative and often controversial marketing strategy.

For example, through its "Save our Shirts" campaign this year, Flutter Entertainment-owned Paddy Power vowed to "unsponsor" any football club with which it had a shirt sponsorship deal.

Behar was joined on the Genius Sports Media panel by Matt Wilson, founder and CEO of Ball Street Network, who argued Paddy Power's creativity is exactly what sets it apart from other operators.

He said: "What Paddy Power has been able to do is cultivate a brand whereby it's not necessarily about price. Paddy Power entertains you. It's a company you notice out of all of the bookies because you can have a laugh with it. You become a friend."

Ironically, the Paddy Power representative didn't turn up yet the whole debate centred around the brand. Could that suggest its strategy is working?

As one of the most well-known operators in the UK, with probably the strongest brand presence in the market, Paddy Power's creativity has clearly been beneficial.

However, Marathonbet believes when faced with a choice of better odds or the comical relatable advertisement of Paddy Power, potential customers will always choose the option easier on the wallet.

Behar explained how Marathonbet's most recent advertising campaign confronted Paddy Power's marketing strategy head on.

The advertisement displayed Paddy Power's odds for an accumulator next to Marathonbet's own better odds, accompanied by the tag-line: "How funny are they now?"

While this slogan might seem slightly confrontational, it makes a good point about brand allegiance.

If I was looking to place a bet on the weekend's football and one operator was offering me £20 (\$26.76) more in returns, an advertisement is easily forgotten, no matter how much it made me laugh.

It's evident both marketing strategies have their merits. While the creative style of Paddy Power might be more suitable for an operator already boasting a large customer base, Marathonbet's simple approach is an effective (and most likely cheaper) one for those trying to make a name for themselves.

That being said, I can't help thinking if the premium pricing of Marathonbet was combined with the creative flare of Paddy Power, the UK market would be easy pickings for a fresh-eyed operator.

THE CEO EVENT OF THE YEAR 3 FEBRUARY 2020

globalgamingawards.com/london

Lead Partner

BETCONSTRUCT



Official Adjudicator



Category Sponsors



11%



Europe's gross gaming revenue grew 11% in 2018 to €22.2bn (\$24.71bn), with sports betting totalling 43% of the EU market share

€50m



Projected figure (\$55.61m) Finnish operator Veikkaus will lose in an attempt to invest in a new corporate strategy targeting responsible gambling

39%

The year-on-year rise in gross gaming revenue for the regulated gaming and betting market in Portugal for Q3, to €54m (\$60.1m)

BET 365 SEES 10% REVENUE RISE FOR FISCAL YEAR, TO £2.98BN

According to Bet365's latest financial report, obtained by *Gambling Insider*, the operator generated revenue of £2.98bn (\$3.94bn) for the 12 months ending 31 March 2019, a rise of 10% year-on-year.

Operating profit was £767.1m, an increase of 12%, while the number of Bet365's active customers rose 23% for the period.

The amount wagered on sports was £64.5m, up 23%, with in-play wagering representing 79% of total sports revenue.

Mobile sports revenue grew 18% during the fiscal year.

The operator also grew its number of staff to 4,646, an increase of 616 from 2017/18.

The period saw Bet365 increase its fixed assets by £120m, with a \$50m investment in Empire Resorts in New York, increased player registrations and the purchase of a new office building.

Bet365 signed a 20-year partnership with Empire Resorts last year, which will see the operator's subsidiary, Hillside, develop a physical and online

sportsbook for Empire Resorts' World Catskills venue.

The operator attributed its strong performance over the fiscal year to revenue from the FIFA World Cup in 2018, and reduced direct costs as a result of a non-recurring charge in the prior period.

Bet365 CEO Denise Coates also credited the period's progress to the evolution of the operator's sports offering and gaming products, with investment in the development of in-house games, native apps and the growth of live casino.

She said: "The number of unique new games available to customers increased in the period. As a result, the group's gaming operations experienced improved player retention and ultimately an increase in the number of active customers over the period."

The operator also developed its sportsbook offering with the launch of Cash Out within its Bet Builder feature, and the Edit My Bet feature for each way bets.



THE WEEK IN QUOTES

"We have always been supportive of the Dutch Gaming Act and the policy objectives of consumer protection, and fraud and addiction prevention. We therefore paid our fine and decided to drop the appeal, and we look forward positively to the regulation of remote gaming in the Netherlands."

Public Affairs manager for Kindred, Eric Konings, after Kindred Group dropped its appeal to pay a €470,000 (\$524,590) fine for offering online gambling to Dutch customers

"Sportradar continues to support measures that enhance the integrity of tennis and we have played an active role in the process towards implementation of the IRP recommendations over the last 12 months. The ITF should be applauded for its proactive approach in addressing the concerns raised and building an integrity program that is second to none in the sport."

Sportradar MD of Sports Partnerships, David Lampitt after the International Tennis Federation (ITF) announced it will invest \$8m in tournament infrastructure to safeguard against match-fixing

"Matt Maddox successfully navigated the company through its most difficult and challenging circumstances. He has rebuilt a solid strategic plan and capital foundation, which now positions Wynn Resorts to enjoy what the board of directors and I believe will be a period of remarkable growth and success."

Chairman of Wynn Resorts, Philip Satre, after Wynn Resorts extended the contract of CEO Matt Maddox

CONSERVATIVE MAJORITY A "CAUSE FOR CELEBRATION" FOR GAMBLING INDUSTRY, SAYS CONSULTANT

Gambling consultant Steve Donoughue says the Conservative Party's General Election triumph should see the British gambling sector "muddle through."

While Donoughue believes all MPs currently share an anti-gambling sentiment, following the fixed-odds betting terminal (FOBT) saga, he thinks the Tories' historic victory is a preferable outcome for the industry.

While the Labour Party often championed stern anti-gambling policies, Donoughue feels the Conservative Party's focus on Brexit will steer it away from policing the sector too heavily.

He told *Gambling Insider*: "The fact Boris Johnson has got the biggest Tory majority since 1987 and Jeremy Corbyn has got the lowest number of Labour seats since 1935 can only be a cause for celebration for the British gambling industry."

"Not a big party with balloons and a cake but one of those office-based things with no alcohol, rubbish biscuits and everyone just dying to go home. For practically all MPs basically dislike gambling now thanks to the way the big three bookmakers amateurishly dealt with FOBTs."

"But what we now have is a Tory Government focused on Brexit for the next few years and, as long as they can keep away from giving the gambling Ministership to someone susceptible to militant propaganda, we should be able to muddle through."

A bigger positive for the sector, as far as Donoughue is concerned, is the presence of the recently formed Betting & Gaming Council.

Under the "superb" leadership of Chairperson Brigid Simmonds OBE and CEO Michael Dugher, the consultant is confident the industry won't be "going backwards anymore."

"The really good news is the new Betting & Gaming Council has an absolutely superb Chair in Brigid Simmonds and a super-talented CEO in ex-Labour MP, Michael Dugher," Donoughue explained.

"Both know Westminster intimately, both are professional lobbyists and both are super intelligent. So with an almost neutral Government and a crack team at the trade association, hopefully no more bad things will happen."

TRUSTLY REPORTED TO SWEDISH COMPETITION AUTHORITY BY ZIMPLER

Zimpler has reported Trustly to the Swedish Competition Authority (Konkurrensverket) over locking companies into exclusive, expensive contracts and stopping them from adopting other services.

Swedish fintech company Zimpler believes it has evidence of this and that Trustly is stopping it doing business with gaming companies holding a Swedish license.

Zimpler believes operators are not signing contracts with them to avoid damaging their relationship with Trustly.

Gambling Insider has been sent a copy of the complaint and, when contacted for comment, Oskar Bjursten, CEO of Zimpler, said: "I note Trustly's answer to the Swedish Competition Authority differs from the experience Zimpler and our merchants are having."

"While it is gratifying to hear Trustly admits to the use of exclusivity clauses within the area of direct bank payments, we

do not share Trustly's view that it will mean our merchants will have enough flexibility."

When contacted for comment by *Gambling Insider*, Trustly responded with the following statement: "Zimpler's complaint contains numerous factual errors and in our opinion has no merit. Trustly is a relatively small payment solution in the online payments market full of competing international and domestic payment services providers and payment solutions including Visa, Mastercard, PayPal, Swish, Skrill and others."

"There are new and innovative players entering the payments market all the time and it's reasonable to measure the success of a payment solution by how much market share it can take from established players."

"We have submitted our response to Konkurrensverket (KKV) and believe they will agree Zimpler's complaint has no merit. However, we want to allow KKV the time it needs to review our response before we publicly go into any details."



**FREE
READ ONLINE**
GAMINGAMERICA.COM



THIS WEEK'S WINNERS AND LOSERS

WINNERS

Camelot – Was awarded GamCare's Safer Gambling Standard Advance Level 2 certificate

New Jersey – Saw total gaming revenue for November rise 19% year-on-year to \$306m, with a 20% increase to \$3.18bn for the year-to-date

STS – Became the first Polish bookmaker to obtain a Gambling Commission license and is the first to operate outside Poland

Rob Howley – The ex-rugby union coach was suspended for 18 months after breaching betting regulations, including placing bets on games involving his native Wales

LOSERS

AGA DIRECTOR: CULTURE OF COMPLIANCE CRITICAL FOR AML PRACTICES

The American Gaming Association (AGA) recently updated its guidelines for anti-money laundering practices, emphasizing a culture of compliance and making several key additions to reflect an increasingly mobile US gaming space.

Gambling Insider caught up with Elizabeth Cronan, the AGA's Senior Director of Gaming Policy, to discuss the new guidelines.

What were your biggest aims when creating these new guidelines and can you give us a brief introduction into how the process came about?

The process initially started about five years ago. Here at the AGA, we brought all the operators together in one room and really started to wrestle with the complexities of the issue. We arrived at the fact it was important to come up with one collective resource, which was reflective of the best way to address these issues.

Are there any areas the AGA may have fallen short, because you perhaps didn't have enough data to help further?

We've been able to address everything

we wanted to. This is certainly aligned with federal requirements and the state regulations are layered into there, too. Our guidelines are reflective of the statutory regulatory requirements in place. But the power of having such a diverse range of experts, who have been involved with these issues for a number of years, providing their insight for one recommended set of guidelines: that was key.

The conclusion of the report states "perfection cannot be expected of a process that involves so many variables." Do you have any specific targets in terms of what the AGA is trying to achieve?

The most important point for me is to really emphasise the industry cares about this; they take this issue immensely seriously. It's not a box-ticking exercise. The industry has generated the most highly useful information to provide to governments; that goes down to a national security issue. Our industry's role in protecting the integrity of the US financial system and national security matters is really honoured and respected. This is the only industry that does this collectively.

PA REVENUES GROW

Pennsylvania gaming revenue grew 14.93% due in part to the state's new gaming options including sports betting and online gaming.

The state grew 3.42% outside those gaming options.

Sports betting revenue grew 7.60% versus October, while handle grew 31.21%.

Sports betting was in operation in November last year but only through Penn National's Hollywood, which brought in \$508,997 in revenue.

Boyd's Valley Forge, where Flutter's FanDuel operates sports betting, led the state with almost half of total revenue and handle.

Mount Airy and Mohegan Sun Pocono reported their first month of online gaming revenue.

Daily fantasy sports revenue fell 8%, to \$2.981m, in November. DraftKings had 55.5% market share, while FanDuel accounted for 43.1%.

Slots at truck stops grew revenue 41% to \$659,288.

SPORTS BETTING

MARKET/PROPERTY	REVENUE (M)	HANDLE (M)	PARTNERS
Valley Forge (BYD)	\$9.343	\$152.989	BYD/FLTR
Rivers Philadelphia (Rush Street)	\$2.151	\$41.287	Rush St/Kambi
Parx (Greenwood)	\$2.317	\$30.473	Greenwood/Kambi
The Meadows (Penn)	\$1.984	\$18.065	DraftKings
Mount Airy	\$1.290	\$14.364	TSG
Mohegan Sun Pocono	\$0.200	\$4.355	Kindred
Hollywood (Penn)	\$0.049	\$3.769	PENN/WMH
Presque Isle (CHDN)	\$0.302	\$3.679	CHDN
The Oaks (Greenwood)	\$0.339	\$3.620	Greenwood/Kambi
Harrah's (CZR)	\$0.234	\$3.042	CZR/SGMS
Valley Forge Turf (Greenwood)	\$0.150	\$1.353	BYD/FLTR
Sports betting Total	\$20.571	\$316.468	



FANTINI'S GAMING REPORT continues to be an **INVALUABLE RELIABLE** resource for timely **ACCURATE** news about the gaming industry

Mark P. Frissora,
President & CEO Caesars
Entertainment

Find out why C-Level Gaming Industry Executives and Investors depend on Fantini's Reports

Try it **FREE** for a month, email us at subscriptions@fantiniresearch.com
302-730-3793 www.fantiniresearch.com

MARKET/PROPERTY	REVENUE (M)	% CHANGE
PHILADELPHIA		
Valley Forge (BYD)	\$20.88	+106.04
Rivers Philadelphia (Rush Street)	\$30.098	+25.67
Parx (Greenwood)	\$54.101	+12.21
Harrah's (CZR)	\$21.019	+1.49
South Philly Turf Club (Greenwood)	\$0.339	N/A
Valley Forge Turf Club (Greenwood)	\$0.150	N/A
Philadelphia total	\$126.101	+22.42
Same Store	\$107.388	+4.25
NORTHEAST PA		
Mt. Airy	\$16.106	+12.30
Mohegan Sun	\$18.944	+11.20
Wind Creek Bethlehem	\$40.123	-0.48
Northeast PA total	\$76.329	+6.46
Same Store	\$75.174	+4.85
PITTSBURGH		
Rivers (Rush Street)	\$34.045	+16.52
The Meadows (Penn)	\$21.347	+7.90
Pittsburgh total	\$51.195	+4.48
Same Store	\$46.999	-4.08
ELSEWHERE		
Lady Luck Nemacolin (CHDN)	\$2.733	+18.92
Hollywood (Penn)	\$21.082	+12.09
Presque Isle (CHDN)	\$10.210	+6.97
State total	\$291.179	+14.93
Same Store	\$264.073	+3.42
MULTIPLE PROPERTIES		
Rush Street	\$64.143	+20.64
Greenwood	\$54.590	+13.23
Penn National	\$42.429	+9.94
Churchill Downs	\$12.943	+9.29
Rush Street Same Store	\$67.376	+6.47
Greenwood Same Store	\$49.800	N/A

ONLINE GAMING

MARKET/PROPERTY	REVENUE (M)
Rivers Philadelphia (Rush Street)	\$3.172
Hollywood (Penn)	1.868
Parx (Greenwood)	\$1.496
Mount Airy	\$1.024
Mohegan Sun Pocono	\$0.131
Online gaming Total	\$7.690

LAND-BASED CASINOS

MARKET/PROPERTY	REVENUE (M)	% CHANGE
Lady Luck Nemacolin (CHDN)	\$2.733	+18.92
Valley Forge Casino Resort (BYD)	\$11.539	+13.85
Mohegan Sun	\$18.745	+10.02
Rivers (Rush Street)	\$31.832	+8.95
Parx (Greenwood)	\$50.289	+4.31
Presque Isle (CHDN)	\$9.907	+3.80
Rivers Philadelphia (Rush Street)	\$24.776	+3.44
Mount Airy	\$14.816	+3.31
Hollywood (Penn)	\$19.166	+1.90
Harrah's Philadelphia (CZR)	\$20.785	+0.36
Wind Creek Bethlehem	\$40.123	-0.48
The Meadows (Penn)	\$19.362	-2.13
Land-based Total	\$264.073	+3.8

RETAIL

MARKET/PROPERTY	REVENUE (M)	HANDLE (M)
Rivers (Rush Street)	\$0.486	\$8.883
Rivers Philadelphia (Rush Street)	\$0.235	\$8.865
Parx (Greenwood)	\$0.739	\$8.111
Hollywood (Penn)	\$0.049	\$3.769
Presque Isle (CHDN)	\$0.302	\$3.679
South Philly Turf (Greenwood)	\$0.339	\$3.620
Valley Forge (BYD)	\$0.192	\$3.244
Harrah's (CZR)	\$0.234	\$3.042
Mohegan Sun Pocono	\$0.173	\$2.474
The Meadows (Penn)	\$0.350	\$1.817
Valley Forge Turf (Greenwood)	\$0.150	\$1.353
Mount Airy	\$0.044	\$0.868
Total	\$3.294	\$49.727

ONLINE

MARKET/PROPERTY	REVENUE (M)	HANDLE (M)
Valley Forge (BYD)	\$9.151	\$149.744
Rivers Philadelphia (Rush Street)	\$1.916	\$32.421
Rivers (Rush Street)	\$1.726	\$30.589
Parx (Greenwood)	\$1.577	\$22.362
The Meadows (Penn)	\$1.634	\$16.248
Mount Airy	\$1.246	\$13.496
Mohegan Sun Pocono	\$0.026	\$1.881
Total	\$17.276	\$266.741

GUEST COLUMNIST



BRYAN SHUMWAY STATS PERFORM

Shumway discusses the opportunities and challenges of dealing with player-level data

On Tuesday 19 November 2019, Carmelo Anthony signed for the Portland Trail Blazers and Damian Lillard was confirmed out injured, both on the morning of the Blazers' game that night against New Orleans.

Here in the US, first fantasy and now the rapid growth of player prop betting has intensified the attention attracted by these breaking stories.

Broadcasters are even starting to offer dedicated commentary and on-screen graphics aimed at bettors. They're realising bettors watch games differently and that betting, especially player props, opens up infinite new stories, even in games that have blown out and would traditionally have been ignored by viewers.

Not so if you're still interested in whether your favourite player is going to beat his pre-game rebounds line. Instead of just being interested in which team is going to win, there is interest in every single player's performance.

But modelling player outcomes takes odds compilation to new heights, especially when there are changes like injuries and new signings.

The sportsbooks I checked during the day of the Lillard/Anthony news had either Lillard markets still up despite him being confirmed out, or all player prop markets suspended – in some cases for hours, in others permanently.

At best, only one or two players had points markets available. Very few produced any options for Carmelo until shortly before tip-off. The paucity of player prop options was in stark contrast to the other games on the slate and an insight into the challenge operators now face in catering for the player prop demand.

Carmelo hadn't played in the NBA for an entire season. He'd never played with this group of players. How will he perform relative to his new team-mates and opponents, and vice versa?

Sportsbooks have of course always needed to be alert to and efficiently process the impact of late player changes.

Filtering the implications through to individual player prop level is more complex and typically time-consuming than it is for game-level lines and spreads, meaning limited availability of player betting options, despite high demand from bettors.

This is because player-level predictions require processing vast volumes of information to understand the impact of one player's absence on the likely behaviour of every other player on the court.

It is one reason traditional odds compilation methods are being augmented by new processes, such as machine learning, which unlock analysis of deeper data sources to enable greater confidence and faster processing and publishing of player prop lines.

If there are bottlenecks finding out information like line-up changes, and bottlenecks processing the wide-reaching implications of such changes, there is a poor experience for bettors and operators alike.

The complexities involved have spawned a land grab for data scientists by both seasoned operators and smart new start-ups like Banach, Sportcast, 21st Club and Swish Analytics; it's a very exciting time to be involved.

To predict Carmelo's performance requires detailed historical performance data for all the players concerned and the processing power to ask specific questions to generate predictions for how each player will perform in a scenario without Lillard, with Carmelo.

Approaches might start by looking at similar players in similar circumstances: for example, to objectively take account of how players perform from game to game, year to year, in their 10th season vs their 11th season.

A model might also want to analyse how a player's statistics should be scaled based on likely line-ups and to deeply understand the expectations of someone playing in each expected position.

This applies even for rookies, which of course requires deep college data to predict the impact of a player who has never set foot on an NBA court before.

Doing this analysis quickly is becoming table stakes for operators to cater for bettor demand for player props. To be able to quickly adjust after news breaks, whether it's game morning or a late ankle roll in the warm-up, so bettors continue to enjoy an uninterrupted experience.

Bryan Shumway is the Betting product manager at Stats Perform, whose deep proprietary data and AI investment are helping to solve problems like these.

LATEST ISSUE OUT NOW
Click **HERE to view**

