



WEEK 23

FRIDAY 11 JUN 2021

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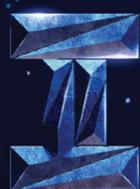
AROUND THE CORNER: CORAL, LV BET AND TOTO LAUNCH EURO 2020 CAMPAIGNS

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WEEK 23

FRIDAY 11 JUN 2021

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THIS WEEK

- Las Vegas bringing back Independence Day fireworks
- Intralot back to growth for Q1
- MGM Resorts hires ex-Disney and American Express exec
 - Swintt recruits Tereza Melicharkova

GUEST COLUMNISTS:

- Michael Vanaskie, VP, International Development, The Innovation Group
- Stephen A. Crystal, Founder and CEO, SCCG Management

AROUND THE CORNER: CORAL, LV BET AND TOTO LAUNCH EURO 2020 CAMPAIGNS

See also page 3 ▼
Problem gambling case a “significant embarrassment” for Flutter



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With football's showpiece event starting tonight, brands across the betting industry have set their stall out in a bid to gain market share. The race is on – with expectations at an all-time high

▶ Coral, LV Bet and Toto have launched Euro 2020-led marketing campaigns, joining the myriad of brands to have released new adverts and promotions.

Entain-owned operator Coral will feature matchday rewards and a 30-second TV advert as part of its campaign. The ad will run throughout the tournament and was produced by advertising agency Bartle Bogle Hegarty (BBH); there will also be an exclusive Euros podcast created with Joe Media.

As part of the campaign, Coral has brought together 24 football pundits including the likes of Alan Shearer, Ally McCoist and Dean Saunders. The matchday analysis will come from journalists and pundits from every nation featured in the tournament, which Coral says will give “customers the inside track on every team.”

Chris Brocklehurst, Head of Brand Marketing at Coral, said: “We know passionate football fans will have an interest in every game during the European Championships, not just the home nation matches or the big fixtures. For customers who'll be betting every day, Matchday Rewards is a campaign that rewards loyalty throughout the tournament”.

Nick Gill, BBH Creative Director, added: “The Coral bettor is the guy that runs home to watch Austria v North Macedonia. He loves international football. Whether it's a goalless draw or a match of the underdogs, he won't miss a game this summer. To him, every match day matters.”

Meanwhile, LV Bet has appointed former Liverpool and Republic of Ireland footballer Jason McAteer as its brand ambassador for UK and Ireland. In the role, McAteer will join LV Bet's channels during this year's Euros and next year's regular football season, providing insight and exclusive match previews.

McAteer's involvement will focus primarily on the brand's social media channels and in association with sponsorships; the operator will use the partnership as part of its strategy to grow in the UK and Ireland.

McAteer said: “This promises to be a thrilling summer of football, and I'm very much looking forward to linking up with LV Bet during the Euros. It's an exciting time, with fans returning to stadiums, so I am thrilled to share my thoughts on the game we all love ahead of the Euros and into the 2021-22 season.”

LV Bet CCO, Marcin Jablonski, added: “Jason is a valuable addition to the LV Bet team as a brand ambassador, bringing a wealth of expertise from a playing career that lasted more than 15 years. Having played at two World Cups and spent almost a decade in the Premier League, our followers can look forward to hearing his views on the Euros and throughout next season's football, both domestic and international.”

Finally, former Netherlands midfielder Wesley Sneijder is the face of a new throwback campaign from Toto, the only legal provider of sports betting in the Netherlands. The campaign

was launched on 2 June 2021 at the half-time break in the recent friendly match between the Netherlands and Scotland.

In the video, Sneijder joins Happy Hardcore legends Charly Lownoise & Mental Theo – more than 25 years after their hit *Wonderful Days* – to perform a party track ahead of this summer's Euro 2020 tournament.

Sneijder plays the role of King Toto in the campaign, challenging the Dutch to defeat him, while Dutch sportscaster Jack van Gelder replays his iconic 2010 World Cup commentary, pointing back to the country's memorable quarter-final victory over Brazil. The former Netherlands midfielder scored both of his team's goals in that game, and is the country's most-capped player of all time.

Tier-one operators Ladbrokes (also Entain-owned), William Hill and Paddy Power (Flutter Entertainment-owned), recently launched their own Euro 2020 campaigns. All three showcased something different, with each campaign's effectiveness being reviewed in last week's *GI Friday*.

Elsewhere, BK8 Sports had agreed to sponsor Norwich City Football Club for the upcoming football season, with the Canaries having secured promotion to the English Premier League. BK8's sponsorship, however, proved both eventful and short-lived. The brand initially came under fire from Norwich fans for including sexually explicit content in its marketing, and was later dropped by the football club. The episode bore resemblance to 1xBet being dropped by Premier League clubs in late 2019.

Betsson Group, meanwhile, has signed an agreement with the South American Football Confederation (Conmebol) to become the official regional sponsor of Conmebol Copa América 2021.

GI Verdict: As Betsson Group CEO Jesper Svensson and Stuart Baker, BetConstruct Group Director of Sportsbook Products, discussed on last week's *GI Huddle*, both the Copa America and Euros present a fantastic betting opportunity for firms across the industry. The betting markets are already flooded with customer offers and odds boosts, and it promises to be a feast for casual and more serious bettors alike.

Naturally, this will prompt concerns over responsible gambling this summer. But just because gambling increases, there is no guarantee problem gambling should rise with it. The onus will be on brands to show the right mindset and act responsibly, to ensure they can genuinely profit without exploiting those for whom gambling addiction can become an issue.

The Euros have understandably dominated industry news a little more than the Copa America in Europe, and the multiple launches of new marketing and advertising campaigns come as no surprise. Industry observers will optimistically await the figures that come out of this summer's showpiece tournament, as expectations are sky high. So too, though, will industry critics...

THIS WEEK IN NUMBERS

30

Seat VIP air charter will cater to “high-end customers” for Hard Rock Casino Atlantic City, after the operator partnered with Ultimate Jet Charters to launch its own air charter service



\$117m

Prize on offer, as Lotto Max highlighted an increased “lottery buzz” in British Columbia. Its lottery draw offered the largest prize amount in Canadian history

33%

Month-on-month decline predicted for Macau’s June gross gaming revenue, mainly due to newly imposed restrictions on the neighbouring Guangdong province



100

Winners selected at random, as part of a proposal to introduce a national lottery for Americans receiving a Covid-19 vaccine – with a \$1m prize each. The proposal came from Las Vegas Congresswoman Dina Titus

158

People being investigated by police in Singapore, for allegedly being involved in illegal horseracing betting



PROBLEM GAMBLING CASE A “SIGNIFICANT EMBARRASSMENT” FOR FLUTTER ENTERTAINMENT

▶ A UK judge has said in court that Flutter Entertainment-owned operator Paddy Power “did not really care” about one of its customers, who was a problem gambler.

The case was brought to court when Amarjeet Singh Dhir sued Flutter and tried to recover money he felt was taken dishonestly. He had loaned businessman Tony Parente £1m (\$1.4m) in 2015 and thought the money was going to be invested in the Dubai property market.

As his case unravelled, it was revealed that Parente was a problem gambler. However, it is worth noting the court sided with Paddy Power, ruling that Dhir could not prove a direct link between his stolen funds and Parente’s gambling.

Nonetheless, Judge Justice Griffiths reviewed Paddy Power’s handling of Parente and felt the operator was aware of his gambling addiction, but did not take the appropriate measures to stop it.

In fact, Griffiths said the operator allowed Parente to keep gambling and also encouraged him with “gambling bonuses and lavish hospitality.”

He added that staff had failed to get information on source of wealth and source of funds. It was shown that Parente’s 2016 account had losses of £77,846 on 5,323 individual bets, which totalled stakes of £2,368,025.

In court, Griffiths said: “Paddy Power knew from its own monitoring of Mr Parente that he was gambling like a problem gambler, with an unhealthy and unsustainable gambling addiction on an escalating and desperate scale.

“Paddy Power knew his losses were unsustainable on his known income and assets.”

The judge also pointed out that Parente was not stopped by Paddy Power; his gambling activity only ended when he decided to stop himself through self-exclusion.

Dan Taylor, Flutter International Chief Executive, added: “The way Mr Parente’s

account was handled, the failings of which were acknowledged in 2018 as part of a settlement agreed with the Gambling Commission, is a source of significant embarrassment for Flutter. We are committed to leading a race to the top in safer gambling and will continue to prioritise investment in this area.”

During the same week, operator Rank Group announced it has developed a real-time monitoring desk for its “continued roll-out” of safer gambling measures.

The system can monitor the online behaviour of customers and identify which cases require intervention; the group says it is “building on real-time player monitoring that has been underway for a number of years.”

In October 2018, though, the Rank Group was fined £500,000 (\$657,400) for its own failure to comply with rules put in place to protect problem gamblers. Given the nature and length of such investigations, any current failings would simply not become public until a future date.

Rank, however, says it has made significant strides in utilising artificial intelligence to identify potential gambling-related harm.

GI Verdict: The Paddy Power story has once again thrown the mindset of the gambling industry into question, with a tendency to talk the talk when it come to responsible gaming – but ultimately end up letting players lose as much as possible without intervening. It is a historical case, of course, but that doesn’t mean the same thing still isn’t happening today.

The Rank Group’s commitment to safer gaming, meanwhile, is certainly a positive on paper. But the key point is this needs to be acted upon appropriately during real cases. Otherwise, we could just as easily find another gambling exec lamenting a “significant embarrassment” later down the line.



YGGDRASIL

GEM

GAME ENGAGEMENT MECHANICS

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TO THE NEXT LEVEL

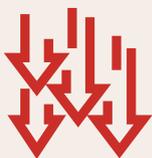
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COMING SOON



6%

Month-on-month fall for Ohio gaming revenue, with the state's four land-based casinos bringing in \$86.8m for May 2021

£176m

Value of 32Red's acquisition by Kindred Group when Jon Hale was the brand's CFO (\$248.7m). He this week joined Lottoland in the same role



3

Year partnership signed with Checked Media by affiliate Spotlight Sports Group

LAS VEGAS BRINGING BACK INDEPENDENCE DAY FIREWORKS

The Las Vegas Convention and Visitors Authority (LVCVA) has declared that the Entertainment Capital of the World is completely reopened.

"Las Vegas will throw an epic Fourth of July fireworks celebration that will show the world Vegas is back," the LVCVA said in a statement.

On 1 June, Clark County, which includes the Las Vegas metropolitan area, returned to pre-pandemic status by removing all restrictions involving capacity limits, large gatherings and more.

The LVCVA has said it will present a fireworks show on the Fourth of July for the first time. The show will feature Fireworks by Grucci.

At 11pm on 4 July, Las Vegas will launch a themed, coordinated fireworks show from the rooftops of ARIA, Caesars Palace, Planet Hollywood, Resorts World, The STRAT, Treasure Island and The Venetian.

Other fireworks shows happening in the Las Vegas Valley on the Fourth of July weekend will include Plaza Hotel &

Casino, Red Rock Casino, Green Valley Ranch and Lake Las Vegas.

In addition to celebrating Independence Day, the LVCVA noted live entertainment is returning as Las Vegas reopens to 100% capacity. The group published a lengthy list of stars coming to town, including singers Brad Paisley, Bruno Mars, Garth Brooks, Miley Cyrus and Usher.

Comedians playing Vegas this summer will include Dave Chappelle, Joe Rogan, Bill Burr, Bill Maher, Tom Segura, Chelsea Handler, Gabriel Iglesias and Jim Jefferies.

GI Verdict: Fireworks! For Las Vegas but also the gaming and entertainment sectors alike. The Independence Day celebrations are a surefire sign of post-Covid-19 life taking shape, but the hope will be vaccinations have done enough of a job to maintain this level of freedom.

Casinos and leisure venues would no doubt much rather put up with reduced revenue for longer if it meant longevity, rather than complete openness followed by further lockdowns.

THE WEEK IN QUOTES

“Vimla brings a wealth of consumer-focused marketing experience and success to the board and we look forward to her informing our go-to-market strategies, as we move forward in the rapidly changing world of online sports betting and iGaming.”

David Handler, Penn National Gaming Chairman, welcomes Vimla Black-Gupta to the operator's board of directors

“As we continue to implement our growth and diversification strategy, we are excited to welcome the Tropicana Evansville into the Bally's family – and look forward to the opportunity to provide land-based and interactive entertainment offerings to the Indiana gaming market.”

George Papanier, President and CEO of Bally's Corporation, on the operator's acquisition of the Tropicana Evansville casino's operations

INTRALOT REPORTS 9% INCREASE IN Q1 2021 REVENUE

Intralot generated group revenue of €102.0m (\$124.3m) for Q1, a 9% increase year-on-year. Lottery games were the largest contributor to Intralot's top line, comprising 63% of the group's total; sports betting contributed to 19.1% and VLTs 8.7%.

Gross gaming revenue (GGR) amounted to €80.5m for Q1, an 8% rise. The company reported a 55% increase in EBITDA to €24.4m, while adjusted EBITDA had a similar incline of 56% to €20.8m.

Intralot's North American operations “achieved significant” growth, a 22% increase in revenue and an 82% jump in EBITDA.

Intralot had launched US sports betting in Montana and Washington towards the end of 2020.

In addition, operating cash flow increased by 127%, while group net capital expenditure was reduced by 48%.

Intralot Chairman & CEO, Sokratis P. Kokkalis, said: “First quarter results show strong revenue and EBITDA growth, driven by robust operational performance and successful implementation of cost

containment measures, while maintaining a strong cash position.

“At the same time, we continue to sharpen our focus on strategic markets with higher margins, launch new operations, such as Croatia, and roll out our new product portfolio; overall pointing to a very healthy operational performance for 2021.”

After the quarter, Intralot announced the sale of an 80% stake in Intralot do Brasil; the sale to SAGA was agreed for a total cash consideration of €0.7m

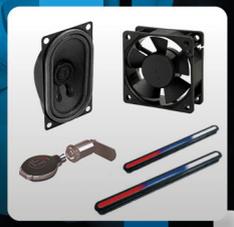
In the same month, the company also confirmed its Dutch subsidiary, Intralot Benelux BV, had completed the transition of the Nederlandse Loterij's full gaming portfolio.

GI Verdict: Intralot's Q1 results will come as a significant boost for a company that has seen its fair share of negative growth or quarterly flatlining.

In 2020, for example, various factors (including but not limited to the Covid-19 pandemic) saw Intralot's turnover fall significantly. Its gradual recovery since will encourage Kokkalis.

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"We are extremely proud to be announcing our sponsorship of the Noventi Open and extending our partnership with German tennis. As a global brand, we are committed to working with the highest-profile sporting events within the world of tennis that host the biggest names in the sport."

Anthony Werkman, Betway CEO, comments on the operator's sponsorship of the German grass-court tennis event at Halle

"We gather that Resorts World Genting will be shut for three months this time, and Genting SkyWorlds will only open in December 2021 to coincide with school holidays."

Maybank analysts comment as Resorts World Genting, the only integrated resort in Malaysia, will likely remain closed for another three months

MGM RESORTS APPOINTS EX-DISNEY AND AMERICAN EXPRESS EXEC TILAK MANDADI

Tilak Mandadi will join MGM Resorts International on 6 July in the newly created position of Chief Strategy, Innovation and Technology Officer.

For this role, the former Disney and American Express exec will oversee MGM Resorts' digital strategy, looking to drive technological growth and innovation.

He will also lead corporate strategy, joining the board of directors to manage the company's relationship with BetMGM, its joint venture with Entain.

Most recently, Mandadi served as EVP of Digital and Global Chief Technology Officer for Disney Parks, Experiences and Products. Before his role at Disney, Mandadi worked as SVP for Digital at American Express, where he led digital transformation and growth.

He has also held leadership roles at FedEx Office and Dell Online; MGM Resorts says his diverse background in hospitality, retail and entertainment will be a "significant asset."

MGM Resorts CEO & President Bill Hornbuckle said: "We are incredibly

proud to have Tilak join our executive leadership team to drive an essential part of our business.

Mandadi added: "I'm excited to join MGM Resorts at such a transformative time for the entire industry. I'm delighted to join the management team and, along with my colleagues, create compelling and immersive customer experiences at the intersection of responsible gaming and entertainment."

GI Verdict: Mandadi's addition is yet another sign of MGM Resorts' emphasis on digital and its BetMGM joint venture. Whereas smaller firms may need to try something different to stand out in the online gaming market, as well as the retail hospitality sector, MGM Resorts has the pull to bring in leading executives from other industries.

Former Chairman and CEO Jim Murren previously explained MGM Resorts' vision to *Gambling Insider*, of intersecting its online and retail business, and Mandadi should play a key role in continuing that vision.



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MGM Resorts  2%
43.54 USD

Las Vegas Sands  3%
55.09 USD

Evolution  0%
1,550.80 SEK

Flutter Entertainment  6%
13,808 GBp

Rank Group  8%
180.20 GBp

SWINTT APPOINTS TEREZA MELICHARKOVA AS HEAD OF MARKETING

Supplier Swintt has announced Tereza Melicharkova as its new Head of Marketing. Melicharkova will support Swintt's commercial team through a wide range of marketing activities, and also drive awareness for Swintt and its product offering.

The new marketing head started her career in the iGaming sector at NetEnt, while she has previously held marketing roles at Pragmatic Play and Relax Gaming.

Most recently, Melicharkova was at Pariplay and will look to boost Swintt's visibility, as it is one of the industry's lesser-known brands at present. The appointment continues a number of senior hires for the company, with David Flood recently appointed Chief Technology Officer.

David Mann, Swintt CCO, said: "Tereza is an important addition to our senior management team as we continue to grow at pace and look to work with more operator partners than ever before. "She is a skilled marketer that has an

incredible knowledge of the industry. This is the perfect combination for driving brand awareness and showcasing our cutting-edge products and services to the largest possible audience."

Melicharkova said: "I am honoured to be joining Swintt, and to use my skills and experience to support the commercial team while also increasing brand and product awareness.

"I am excited to be working alongside some of the best talents in the business, led by the three Davids: Flynn, Mann and Flood. This is a huge opportunity for me to showcase what I can do, and I am grateful for the chance to do so."

GI Verdict: Melicharkova's move is one of several in her career lately, although it must be considered a coup for Swintt given the aptitude she showed in her previous role at Pariplay.

This, along with the company's other recent appointments, certainly serves as a signal of intent. Yet, as with many firms on the lower rungs of the ladder, it's now about delivering on that intent.

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MAY REVENUE: MARYLAND

As part of its ongoing partnership with *Gambling Insider*, Fantini Research looks into May gaming revenue, which rose 13.21% to \$172.394m compared to May 2019. Casinos operated at full capacity except for Caesars' Horseshoe Baltimore, which fully opened on the 17th. All casinos were closed last May due to Covid-19.

TABLE GAMES

	MAY REVENUE (M)	CHANGE VS MAY 2019 (%)
Rocky Gap (GDEN)	\$0.830	+47.74
Ocean Downs (CHDN)	\$0.908	+20.32
National Harbor (MGM)	\$29.080	+17.37
Live! (Cordish)	\$16.504	+0.22
Hollywood Casino (GLPI)	\$0.922	-7.76
Horseshoe Baltimore (CZR)	\$5.993	-25.69
Total Table Games	\$54.237	+5.06

BALTIMORE / WASHINGTON <small>(LIVE!, HORSESHOE BALTIMORE, NATIONAL HARBOR)</small>	MAY REVENUE (M)	CHANGE VS MAY 2019 (%)
Baltimore/Washington Total:	\$149.302	+12.11

ALL-SOURCES REVENUE

	MAY REVENUE (M)	CHANGE VS MAY 2019 (%)
Hollywood Casino (GLPI)	\$8.489	+22.81
Rocky Gap (GDEN)	\$6.005	+21.41
Ocean Downs (CHDN)	\$8.599	+18.81
National Harbor (MGM)	\$68.382	+15.66
Live! (Cordish)	\$61.395	+14.76
Horseshoe Baltimore (CZR)	\$19.524	-5.03
Total	\$172.394	+13.21

SLOT

	REVENUE (M)	CHANGE (%)
Hollywood Casino (GLPI)	\$7.567	+27.98
Live! (Cordish)	\$44.892	+21.23
Ocean Downs (CHDN)	\$7.691	+18.63
Rocky Gap (GDEN)	\$5.174	+18.04
National Harbor (MGM)	\$39.302	+14.43
Horseshoe Baltimore (CZR)	\$13.532	+8.30
Total Slot	\$118.158	+17.39

GUEST COLUMNIST



MICHAEL VANASKIE,
*VP, INTERNATIONAL
DEVELOPMENT, THE
INNOVATION GROUP*

In the latest Innovation Insights article, Vanaskie looks at the Dominican Republic: Does it have the makings of a preeminent Caribbean gaming destination?

In recent years, the Dominican Republic has received significant attention and investment from the gaming industry. This is no surprise, as the nation welcomed the Caribbean's largest number of international arrivals in 2019 at nearly 7.6 million. With large casino properties such as the 1,800 room Hard Rock Punta Cana and the 2,000+ room Moon Palace (under development), the gaming market has the second-highest number of casinos within the Caribbean and offers tourists looking to incorporate gaming into their vacations many options. The market also distinguishes itself from other Caribbean nations – namely the Bahamas, which features some of the region's largest resorts – by allowing its local citizens to gamble. While the low average annual income of \$9,300 caps the revenue opportunity from

locals, the Dominican Republic has the third-largest population in the Caribbean at 10.7 million people, opening a large and stable segment of consumers in the market.

Baha Mar and The Atlantis in the Bahamas generated a combined \$255.6m in gross gaming revenue (GGR) in 2019. Despite the tourist and local advantages enjoyed in the Dominican Republic, based on our estimates, the country has yet to produce a casino resort generating GGR of over \$100m. In this article, we consider why greater revenue has not yet been generated and why the Dominican Republic could potentially support a more substantial casino market.

Comparing tourism between the Bahamas and the Dominican Republic, the Dominican Republic welcomed roughly 300,000 more international arrivals in 2019 than the Bahamas. But are they likely casino resort customers?

In general, visitors to the Bahamas exhibit a different demographic and origin profile than those to the Dominican Republic, with higher propensities to gamble based on our research. Other factors in the Dominican Republic, like a larger number of popular destinations, leads to greater geographic dispersion of tourists, and the prevalence of all-inclusive resorts limits ambient discretionary income in the Dominican Republic.

But just because the Dominican Republic does not generate as high a proportion of predisposed gamblers today, that does not mean the market cannot potentially transform in



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the future. Turning back to the Bahamas, we have found historic evidence of the casino industry's positive impacts on international tourism growth. In 1999, the first full year of expanded resort and gaming operations at Atlantis, the Bahamas witnessed 9% growth in international visitation – surpassing the annual compound annual growth rate (“CAGR”) from 1990 to 1998 of 4.1%. This accelerated growth continued in subsequent years.

“In recent years, the Dominican Republic has received significant attention and investment from gaming. This is no surprise, as the nation welcomed the Caribbean’s largest number of international arrivals (7.6m) in 2019”

This phenomenon occurred again with the opening of the \$4bn Baha Mar resort. From 2008 to 2016, tourism arrivals increased by a CAGR of 4.5% and accelerated to a CAGR of 8.7% from 2017 to 2019 after Baha Mar opened in April 2017. While it’s impossible to pinpoint how many new incremental tourists traveled to the Bahamas because of the opening of these resorts without traveler data from the individual property operations, the empirical evidence from the Bahamas and other markets suggests the opening of major gaming

resorts induces tourism and accelerates growth.

The absence of a transformational property, which comes with a huge price tag but can induce meaningful gamer tourism, is likely part of the reason the Dominican Republic has yet to generate \$100+m in GGR at a single property. With new and potential developments coming to the market, this soon may change.

At a cost of \$600m, Moon Palace Punta Cana – the most noteworthy casino resort under construction in the market – has the potential to generate sound financial returns. But with a \$1+bn investment threshold to drive a casino-centric resort to new levels, Moon Palace casino may miss this mark.

If the Moon Palace Punta Cana resort isn’t quite at the status of Baha Mar or Atlantis, then the potential \$bn, 9,000-room Wynn Resort proposed in Punta Cana could officially one-up the Bahamas equivalents. If undertaken, a resort of this nature would not only likely be forecasted to generate \$100+m in GGR, but it would also very likely need to generate this level of GGR to be financially viable.

Implied in the discussion of future resorts in the Caribbean, our research continues to search for the presence of the “right” visitor to support a thriving gaming market. With a large existing tourist base, infrastructure on which to build induced gaming tourists, and a strong, albeit fragmented, gaming market, the Dominican Republic may soon be home to another elusive \$100+m GGR Caribbean casino, pushing the existing market to new heights.

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GUEST COLUMNIST



STEPHEN A. CRYSTAL,
*FOUNDER AND CEO,
SCCG MANAGEMENT*

Crystal looks into the history of live casino and why the vertical is a “win-win” for the industry long term

For folks that aren't familiar with the subject of live casino in iGaming, we're talking about online casinos with traditional game content like blackjack, roulette, and baccarat, with players who interact with real, human dealers across the internet. From an iGaming operator's perspective, early thinking about this product was fairly negative. First, you need a significant investment in studio facilities, where the dealers can broadcast their games live, in real-time, and matched with players. A secondary consideration is that this dependence on live dealers and localised facilities does not scale as easily as traditional online casino content. This is complicated further in markets like the US. For example, despite live games being played on the internet in the US, gaming operators must deploy dealers (and therefore their broadcast studios) within the state's borders where the players access that content.

“From an iGaming operator's perspective, early thinking about this product was fairly negative. The market, however, decides what is a good idea”

The market, however, ultimately decides what is and is not a good idea in terms of iGaming content – representing, by the way, \$45bn in 2019. Players love live casino games online – in the US, a relatively new online casino market, upwards of 40% of the market is live gaming.

The live gaming content market is dominated by B2B live gaming supplier Evolution Gaming Group. Evolution Gaming Group is a Swedish company headquartered in Stockholm and currently represents an estimated 90% of the live gaming

market content. In the US, Evolution is the supplier for this gaming content for large gaming operators such as DraftKings and Penn National Gaming. These companies pay companies like Evolution an estimated 10% of game winnings. This business model earned Evolution Gaming Group almost \$700m in 2020. Today, Evolution Gaming Group's market capitalisation is over \$40bn (up from \$25bn in March 2021).

The attraction of live casino content with customers is that Scientific Games announced days ago that it had partnered with Evolution to turn one of their popular roulette games into a physical game to deploy in brick-and-mortar casinos.

As the massive US gaming market continues to open up and mature, we believe that the diversification of live gaming supplier content will continue to grow. For example, Playtech, a competing supplier in the space, recently announced that it was opening a live casino studio in Southfield, Michigan. Playtech is a major player in the iGaming industry. Playtech, founded in 1999, is traded on the main market of the London Stock Exchange. The company deploys its almost 7,000 employees across 24 countries worldwide.

In addition to these publicly traded companies, many private companies currently operate in this space and have the experience necessary to break into the lucrative US iGaming market. For example, Pragmatic Play has a live gaming studio in Bucharest, Romania, providing the content deployed across its omnichannel technology platform. Visionary Gaming, established in 2008, is another known player in the live gaming supplier space, serving approximately 50 iGaming operators in Europe, Latin America, and Asia. In addition, for over 10 years, Hollywood TV has provided live gaming content for over 40 clients, with studios in South America, South Africa, Europe, and the Commonwealth of Independent States (CIS).

While some argue that the infrastructure necessary to deploy broadcast studios for live gaming operations is a hurdle to competition, one should turn this proposition around. Given the massive number of broadcast-quality recording studios in the US today, what would stop experienced live dealer iGaming providers from partnering with existing, non-gaming media production networks? These operations already exist in every state. Leveraging this world-class infrastructure in support of this massive and growing market seems like a win-win for both industries.

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