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WEEK 43

FRIDAY 28 OCT 2022

**IN THIS WEEK'S ISSUE:
NEW AMBASSADORS & Q3 REPORTS**

Land Based to Online

Regulatory Compliance

Omni-Channel Experience

Cryptocurrency

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THIS WEEK

- Q3: BETSSON REVENUE UP 18%
- Q3: KAMBI REVENUE DOWN 11%
- JAMIE SHEA JOINS SIMWIN
- SWEDEN'S NEW GAMING MINISTER
- US DEALS FOR BET365
- MIXED BAG FOR SVENSKA SPEL

GUEST INTERVIEW

Sarah Robertson,
SVP Sales, Kambi

THE DEBRIEF



HOW EFFECTIVE ARE GAMBLING BRAND AMBASSADORS?

US Q3 ROUND-UP: BOYD GAMING AND POINTSBET



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Caesars' empire of ambassadors has expanded, adding Vince Vaughn, while Betway has brought Robbie Keane on board, raising the question: how useful are celebrity endorsements?

▶ Vince Vaughn, Vanessa Hudgens and Jamie Foxx: what do they all have in common? No, they're not co-starring in some new, madcap comedy movie – they're all ambassadors for iGaming brands.

Vaughn, of Swingers and Dodgeball fame, has become the face of Caesars' iCasino product offering, while former Spurs striker Robbie Keane has forged an alliance with Betway.

Dubbed 'Prince Vaughn', the American actor will appear in upcoming marketing campaigns, promotions and social media content as the 'Sultan of Slots' and the 'Ruler of Roulette.'

Vaughn has made his debut in the spot 'Full Caesar', starring alongside actor and comedian JB Smoove and NFL family the Mannings: Archie, Cooper, Eli and Peyton.

"Working with Caesars is special for me," said Vaughn. "With my long history of love for Las Vegas and gaming, I am excited to be part of the royal family."

Keane will likewise lend his name and image to Betway, providing insights for football fans on the brand's editorial hub, Betway Insider.

He commented: "I'm thrilled to be joining Betway as a brand ambassador and I'm looking forward to sharing my views and opinions on the upcoming World Cup tournament, and on the Premier League season."

Foxx, meanwhile, became a brand ambassador for BetMGM in September 2020, fronting a star-studded line-up of Hollywood celebrities and well-known athletes.

In fact, BetMGM leads the pack when it comes to brand ambassadors. Hockey icons Connor McDavid and Wayne Gretzky, NBA star Kevin Garnett and actress Vanessa Hudgens are among the sportsbook's representatives.

But big names usually have big price tags attached. To acquire new customers, many brands have spent (and continue to spend) considerable sums on marketing and promotional efforts, especially in the US.

"Once operators see the need to onboard relevant, specific celebrity representation, this will undoubtedly drive up interest in a sports betting brand"

In all likelihood, much of this spending will go towards bonuses and other offers, but brand ambassadors will also represent a significant chunk of operator expenditure.

This is perhaps truer for those brands that have retained more well-known ambassadors, such as BetMGM.

Ultimately, though, it comes down to a simple question: are they worth it? Clearly many operators think so – and it's not hard to see why.

Celebrity ambassadors lend legitimacy and extend a brand's reach. Selecting the right figure can help a company cultivate

a certain image, which is important in a burgeoning market such as the US.

However, it is incredibly important to select the right figure (or figures). Vaughn will undoubtedly attract a different audience and project a different image than Keane.

Choosing an appropriate ambassador is even more important in today's digital age, where many celebrities are more of a brand than an individual, wielding considerable social media clout.

The backlash to celebrity brand ambassadors, at least in certain markets, would also suggest they're having an impact; albeit a controversial one. There is evidence to suggest younger audiences are more susceptible to gambling adverts, and in particular, those that feature well-known figures.

Consequently, certain groups have called for tighter restrictions on gambling ads, and in some cases, stricter rules have been implemented.

For example, in the UK, new content restrictions came into force on 1 October 2022, preventing "freely accessible ads" from featuring anything that may have a strong appeal to under-18s.

This includes football players and other sportspeople who possess a considerable following among minors on social media. Britain's Committee of Advertising Practice (CAP) wrote: "The new rules are based on a 'strong' appeal test, which prohibits content (imagery, themes and characters) that has a significant level of appeal to under-18s."

It added: "In practice, this will significantly restrict the imagery and references that gambling ads will be allowed to use and should decrease the potential for gambling ads to attract the attention of under-18s in an audience."

But the UK and US – or North America – are very different jurisdictions. The former is a more mature market that has a fairly robust and time-tested regulatory framework; the latter can boast this less so.

Consequently, brands are far less likely to fall afoul of regulations in the US, at least in regard to brand ambassadors – especially as states and operators find themselves aligned on channelisation. Those jurisdictions that have legalised iGaming in North America are looking to draw players away from the black market, and celebrity brand ambassadors can play a helpful role.

In fact, it's relatively easy right now, any celebrity will stamp a mark of legitimacy; it's a marketing avenue unregulated operators cannot pursue.

However, as the US market matures, celebrity endorsement will become more complex. Ambassadors will be selected on how they best represent a brand, as the competition heats up between operators.

This will all come in time, though, as North American markets become more nuanced. Once operators see the need to onboard relevant, specific celebrity representation, this will undoubtedly drive up interest in a sports betting brand. So it's safe to say that, for now, the likes of Caesars, MGM Resorts and Betway will be keeping Vince Vaughn and co 'on the line.'

TAKING STOCK

SHARE PRICES COVER THURSDAY 20
OCTOBER TO THURSDAY 27 OCTOBER
(09:30AM GMT)

Boyd Gaming  8%
56.00 USD

Kambi  6%
163.95 SEK

Evolution  7%
1,007.80 SEK

Kindred Group  0%
92.74 SEK

Betsson  5%
78.02 SEK

PointsBet  7%
1.35 USD

Sportradar  6%
9.14 USD

Caesars Entertainment  14%
42.53 USD

US Q3 ROUND-UP: BOYD GAMING AND POINTSBET

A tale of two operators; Boyd Gaming and PointsBet have published quarterly results, highlighting a contrast between land-based and online revenue in the US.

As the leaves turn brown, the nights grow longer and the days become colder, it can mean only one thing: Q3 reports season is once more upon us.

While most companies have chosen to wait until November to release their Q3 (or Q1 2023) results, an eager handful have published theirs early. Among them are Boyd Gaming and PointsBet; a US-facing double whammy.

The former company recorded a top-line increase of 4% for the third quarter, contributing to relatively solid results across the board. Boyd's revenue has grown from US\$843m to US\$877m year-on-year.

In turn, the company's quarterly net income reached US\$157m – an improvement on the US\$138m it achieved for the same period in 2021.

Boyd's EBITDAR for the third quarter, meanwhile, was US\$337m, a modest decline when compared to the record US\$340m for the prior-year period.

However, this had little impact on investor confidence. The company's share price for Q3 sat at US\$1.46 per share, up from US\$1.21 following 2021's Q3 report.

Keith Smith, Boyd Gaming President and CEO, said: "These results were driven by our continued focus on core customers and sustained efficiencies throughout our business, as our operating model is successfully meeting today's challenges and delivering consistent results."

In stark contrast, the Australia-based

PointsBet posted AU\$115.1m (US\$72.9m) in revenue for Q1 2023, down 2% year-on-year. Gross win margin was subsequently down too, dropping 2% to a margin of 10%.

However, net profit for PointsBet's sports betting vertical was up 4% at AU\$70.3m, while net profit for its iGaming services rose 287% to AU\$8.5m.

Total net profit across PointsBet's verticals, therefore, totalled AU\$78.8m, up 13% on Q1 2022. Handle was also up a marked 18%, rising to AU\$1.15bn for Q1 2023.

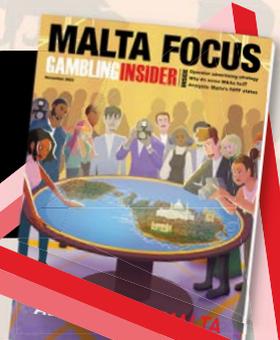
But in the US, PointsBet's financial results were a mixed bag. Handle rose by 50% to AU\$523.8m, but was down sequentially by 24%, perhaps owing to a limited number of high-profile sporting events over the quarter.

This trend is widespread in the US market for PointsBet, who, despite posting net profits for sports betting 78% higher year-on-year, saw profits drop 6% sequentially.

PointsBet's iGaming segment in the US saw the greatest gains across the board, rising 229% year-on-year and up 8% quarter-over-quarter.

GI Verdict: The companies' contrasting results indicate a greater discrepancy between traditional land-based gaming and online, predominantly sports betting. The former segment has, at least in the US, undergone an almost complete recovery from Covid-19. Meanwhile, iGaming is still a young industry in North America. PointsBet's results also highlight a susceptibility to fluctuations in the sports calendar.

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SPORTSBOOK DRIVES 18% Q3 REVENUE RISE FOR BETSSON

Operator Betsson is celebrating its “best quarter ever,” reporting revenue of €200.3m (\$199.6m) for Q3.

This represents an 18% year-on-year rise, with an organic rise of 35% for the brand.

Casino revenue saw a reasonable 8% increase, although sports betting was where Betsson excelled for the period, with 45% growth at a sportsbook margin of 8.4%.

Betsson AB CEO Pontus Lindwall said: “We saw a continued positive development during the third quarter with high growth and profitability for the group as a whole.

“Betsson reported new records for revenue and operating profit, driven by both sports betting and casino.”

Operating income, meanwhile, was up 21% to €38.4m, with net income standing at €32.6m; operating cash flow was €38.5m. Total active customers rose 7% to 1,056,400.

“The organic growth was 35% compared to the corresponding quarter

last year, generated mainly by the regions Latin America and Central and Eastern Europe and Central Asia (CEECA),” Lindwall continued.

“Another growth factor in the quarter was high sportsbook turnover, partly because of the early start of the European football leagues in August, due to the upcoming FIFA World Cup in November-December.”

In addition to the company’s Q3 results, Betsson also announced a new acquisition. It has purchased an 80% stake in KickerTech, a B2B sportsbook business.

Through a subsidiary, Betsson has become the firm’s majority shareholder, acquiring the stake from TG Holdings Limited for a total sum of €14m.

GI Verdict: A strong quarter for Betsson, aided in no small part by an uncommonly active football calendar for the period. However, Q3 is the company’s second consecutive quarter of record revenue, indicating a broader, positive trend. Given the upcoming World Cup, Betsson’s solid growth trajectory is likely



to continue in Q4. The acquisition of KickerTech also highlights an emphasis on diversification; its eggs aren’t all in the B2C basket.

creedroomz
LIVE CASINO



KAMBI SEES 11% REVENUE FALL DURING “CHALLENGING” Q3

Sports betting supplier Kambi saw an 11% fall in its Q3 revenue, reporting total revenue of €36.7m (\$36.7m) for the quarter.

Operating profit fell considerably to €3.9m, with cash flow also down, as the provider cited a traditionally “challenging” period for sports betting, given the “quiet” sporting calendar – especially in the US.

Nevertheless, among its Q3 highlights, the supplier emphasised a turnover increase of 12% – driven by new market launches and partnerships.

The organisation’s Q3 revenue total was also higher than that of Q2 (€34.7m), with the year-on-year percentage fall also smaller (Kambi saw revenue slide 19% for Q2).

Kambi also highlighted its acquisition of “front-end specialist” Shape Games.

Kristian Nylén, Kambi CEO, said: “The third quarter is always the most challenging for the sports betting industry given the quiet sporting

calendar and this year was no exception.

“It was also a quarter marked by growing global economic uncertainty and higher cost of living, trends which show little sign of subsiding any time soon.

“Despite this, Kambi proved its resilience once more and I am pleased to report another busy quarter for the business with operator turnover growth of 12%.”

Since Q3, the provider has partnered with Apollo Global Management-owned Great Canadian Entertainment.

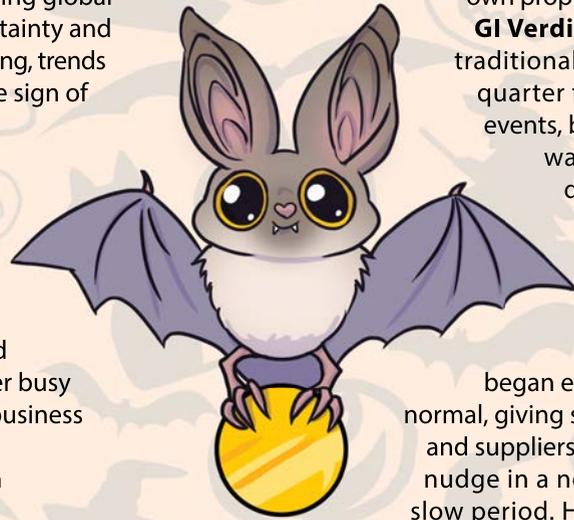
It also signed a termination agreement with operator Penn Entertainment,

which previously announced that it would migrate onto its own proprietary platform.

GI Verdict: Q3 is traditionally a quiet quarter for sporting events, but this year was slightly different. Due to the World Cup in Qatar, Europe’s football leagues

began earlier than normal, giving sportsbooks and suppliers a slight nudge in a normally slow period. However,

Kambi has apparently not benefitted from this as much as other companies. Unlike Betsson, Kambi is a way off experiencing its best-ever quarter. With the World Cup, however, comes hope.



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ABOUT SCCG MANAGEMENT

SCCG Management is a consultancy that specializes in sports betting, iGaming, sports marketing, affiliate marketing, technology, intellectual property protection, product commercialization, esports, capital formation, M&A, joint ventures, casino management, and governmental and legal affairs for the casino and iGaming industry.



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THIS WEEK IN NUMBERS



27%

The highest rate ever recorded of online gambling participants in the UK

100

The amount of host locations signed up for Elys' land-based sportsbook services in the US state of Ohio



\$5.2bn



The amount generated by Mohegan according to its local economic activity report into 2019

STRIVE GAMING CMO JAMIE SHEA JOINS SIMWIN AS NON-EXECUTIVE DIRECTOR

SimWin Sports has appointed Jamie Shea as a non-executive director of the company, where she will oversee the virtual sports league.

Shea has over 30 years of experience in sports betting and has worked at places such as the Hard Rock Hotel, Caesars Entertainment, Carnival, IGT as well as DraftKings.

In her new role, she will have an input across multiple parts of the business, including gaming operations, marketing, sales to casinos, technology, fantasy sports and executive strategy; however, in addition to her post at SimWin, Shea will also remain in her post as the CMO of Strive Gaming.

Upon taking her new job, Shea said: "Joining the distinguished team at SimWin was a no-brainer.

They are bringing fans a truly unique and innovative real-money gaming experience that will set the industry standard for years to come.

"The enthusiasm that David, Tom and the entire team have shown about the product only further confirms that SimWin will put forth a user experience unlike any other.

"I can't wait to share my knowledge to further develop the product and deliver a superior player experience."

GI Verdict: Shea's appointment highlights her diversity across multiple roles, now holding two roles both at SimWin and Strive Gaming.

SimWin Sports markets itself as the virtual sports metaverse; Shea joining the company in a C-level position therefore shows her desire to support forward-thinking brands looking to the future of the virtual gaming space.

And, it goes without saying, Shea's new role reinforces the growing trend of women being appointed to high-level positions in the industry.

Let's see if she can bring her DraftKings knowhow and change the game for both Strive and SimWin.

Football season is kicking off soon!



COMING 7 NOVEMBER



200+



The number of games new platform Plae8 has launched for Asian markets

6 years

The length of the deal signed between Kindred and the Swinomish Tribe at its Swinomish Casino & Lodge in Anacortes, Washington



30 million

The amount of impressions on social media that Safer Gambling Week had across the UK, breaking last year's record



SWEDEN'S BOS WELCOMES NEW MINISTER RESPONSIBLE FOR GAMING POLICY

Sweden's Trade Association for Online Gambling (BOS) has welcomed the country's new minister in charge of gaming policy.

The Ministry of Finance is responsible for the establishment and implementation of policies affecting Sweden's gaming industry, and oversees the country's gaming regulator, Spelinspektionen.

Within the department, the Minister of Financial Markets is specifically responsible for gaming policy, a position now occupied by Niklas Wykman.

A general election was held on 11 September which saw Sweden's governing parties, led by the Social Democrats, lose their majority.

Consequently, a month of negotiations resulted in the formation of a new, right-wing government led by the Moderate Party.

The BOS has butt heads with the Ministry under previous administrations, but is hoping a new government and subsequently, Wykman, will take a more favourable stance towards gambling.

Gustaf Hoffstedt, BOS Secretary General, commented: "We look forward to having a discussion with Niklas Wykman about how gambling policy can best be developed in Sweden."

Hoffstedt also had some "messages" for the new minister, including a hope that he expresses the gaming industry's "important business and political significance."

GI Verdict: What's right for Sweden in terms of gambling may not just be what Hoffstedt endorses. Although he leads the BOS, his role is to find the easiest route for gaming to operate in the country, regardless of broader economic, social and cultural concerns. That isn't to say the appointment of Wykman won't help to further the discussion, after all, a new right-wing government could herald a freer market. Regardless, a new Minister of Financial Markets will surely see a better relationship than the previous one between the gambling industry and ex-Minister Ardalan Shekarabi, who represented the Social Democrats.

THE WEEK IN QUOTES

“Chef Dominique Ansel is one of the most esteemed pastry chefs in the world. The opening of his bakery has been a long time coming. His creations are the perfect addition to our extraordinary culinary offerings at Caesars Palace.”

Caesars Entertainment Regional President Sean McBurney talking about Chef Dominique Ansel's new bakery at Caesars Palace

“Considering that the allegations were sufficiently subscribed against the accused in this case, the next logical step for this court is to ascertain the veracity of said allegations in a full-blown trial to determine whether or not the accused are guilty of the offense charged in this case.”

Universal Entertainment's statement on Kazuo Okada's charges in Manila

BET365 SIGNS TWO NEW DATA & ESPORTS DEALS IN THE US

Genius Sports has secured a long-term extension to its data partnership with bet365.

As a result, the bookmaker will receive Genius Sports' "portfolio of official data rights," covering multiple leagues and competitions alongside a suite of new betting products.

For example, bet365 will have access to Genius Sports' data rights for the Premier League, National Football League (NFL) and Nascar.

This comes after bet365 and Genius agreed to a "major expansion" of their data partnership earlier in 2022, which is focused primarily on streaming. Therefore, this latest development only reaffirms their commitment to an ongoing collaboration.

Mark Locke, Genius Sports CEO, commented on the extension: "Expanding our partnership with bet365, the largest sports betting brand in the world, demonstrates our

commitment to delivering the most innovative and compelling products for our customers."

Meanwhile, Bayes Esports is set to be registered as a licensed sports betting supplier in New Jersey and Colorado, which will provide live data to bet365 upon its entry in both markets.

Upon the launch, Bayes said this makes it the first registered supplier in the US to leverage esports live data directly from a game publisher.

Furthermore, the supplier said bet365 has signed up for its esports live data solution in both New Jersey and Colorado, which will build on the tech stack the sportsbook offers in both states.

GI Verdict: After a late start, bet365 is pushing further into the North American market, and the news this week only affirms the operator's interest – even if tentative – in all levels of the rapidly expanding US gambling scene.

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"Today's sports fans expect a viewing experience that is highly personalised and tailored to their unique interests."

Ed Blonk, Sportradar CCO, talking about its new deal with the National Hockey League's (NHL) international streaming service

"This research serves as further proof that we need to see the gambling White Paper published as soon as possible to avoid further gambling harm."

Zoë Osmond, GambleAware CEO, commenting on the need for further consumer transparency, as a result of a new study

SVENSKA SEES BRIGHT 'SPELS,' DESPITE DIFFICULT YEAR

This week, Svenska Spel posted its Q3 results, which showed a net gaming revenue (NGR) drop of 1% – totalling SEK 1,954m (\$178m).

Looking at the data, Svenska Spel also revealed its operating profit hit SEK 681m in Q3 2022 – a SEK 15m drop on the same period last year.

Though there were several new safer gambling and regulatory reasons behind the results, including the introduction of deposit limits, according to Svenska Spel – some of its biggest areas saw significant falls, including its sport & casino arm, which dropped by 7% when compared to Q3 2021.

However, there was some good news for Svenska Spel, with its online operations running 5% higher than last year. Meanwhile, other highlights included the launch of a new "high-win game" and Casino Cosmopol in Gothenburg celebrating its 20th anniversary.

Patrik Hofbauer, President and CEO of Svenska Spel, commented: "We had a good performance in challenging times. Both our strong operating margin and our investment in new gaming experiences in all business areas are positive. This goes hand in hand with a continued focus on sustainable gaming, where the share of healthy revenue during the quarter reaches the highest level ever."

Looking at the broader picture for the year so far, Svenska Spel's NGR totals SEK 5,852m – which is currently running 1% down year-on-year.

GI Verdict: Svenska Spel's results are, to be fair, mixed. The company is running at a loss so far for this year, which it doesn't appear too hopeful will turn around significantly before it publishes its Q4 results.

However, it did see growth in its online arm and the introduction of deposit limits will be seen as the right thing to do from a publicity perspective.



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ARKANSAS – SEPTEMBER REVENUE

Fantini Research partners with *Gambling Insider* to provide weekly gaming industry data. This week, we look at total gaming revenue in Arkansas for September.

For land-based casinos, Southland Park made the greatest year-on-year gains; its overall revenue grew 19% to \$25.7m. In fact, Southland Park dominated each vertical bar sports betting. The casino made \$21.8m in revenue from slots, a 13% yearly increase, and \$2.8m from table games, a 50% yearly rise.

Despite taking the greatest revenue in each of these verticals, Southland Park was pipped by Saracen in taking the most revenue from sports betting. Saracen generated \$1.8m in revenue for September, 244% greater than September 2021.

The majority of revenue from sports betting came from mobile sources – \$2.3m – a 323% rise year-on-year.



ALL-SOURCES REVENUE	SEPTEMBER REVENUE (M)	CHANGE (%) YEAR-ON-YEAR
Southland Park (Del North)	\$25.738	+18.82
Oaklawn	\$12.540	+0.42
Saracen	\$14.302	+7.77
Total	\$52.580	+10.88

SLOTS	SEPTEMBER REVENUE (M)	CHANGE (%) YEAR-ON-YEAR
Southland Park (Del North)	\$21.789	+13.25
Oaklawn	\$11.283	+0.15
Saracen	\$11.034	-0.46
Total Slots	\$44.105	+6.05

TABLE GAMES	SEPTEMBER REVENUE (M)	CHANGE (%) YEAR-ON-YEAR
Southland Park (Del North)	\$2.817	+50.61
Oaklawn	\$0.989	+2.47
Saracen	\$1.461	-12.03
Total Table Games	\$5.267	+17.14

SPORTS BETTING	SEPTEMBER REVENUE (M)	CHANGE (%) YEAR-ON-YEAR	PARTNERS
Saracen	\$1.807	+244.48	BetGenius
Southland Park (Del North)	\$1.133	+105.46	IGT
Oaklawn	\$0.268	+4.48	CHDN / DKNK
Total Sports Betting	\$3.208	+140.75	
Retail	\$0.868	+11.40	
Mobile	\$2.340	+323.00	
Handle	\$21.186	+49.40	



GI **GUEST**
FRIDAY

INTERVIEW

SARAH ROBERTSON,
SVP SALES, KAMBI

Robertson addresses the elements required to successfully launch a sportsbook in the US market

SPORTS BETTING IN THE US: WHAT IT TAKES TO SUCCEED

For ambitious sportsbook operators aiming to corner extensive market share in the US, the strategic, product and compliance considerations involved in securing a successful launch are numerous, having been one of the industry's most intensely debated topics following the overturning of PASPA in 2018.

Although it could not be said that there is a one-size-fits-all blueprint for success, there are several components encompassing both regulatory adaptability and quality of product, which an operator must get right if it is to attract US players and drive long-term customer retention.

ADAPTING TO STATE-BY-STATE REGULATION

The scale of the opportunities US states can unlock for sportsbooks is beyond question. The passage of regulation in a particular state can see a market equivalent in size to that of an entire European country come online overnight. That being said, the state-by-state nature of regulatory roll-out throughout the US brings

about its own set of challenges.

Ensuring individual compliance requirements are effectively managed on an ongoing basis is of real significance. With each US state having its own unique offering template, requiring the filtering out of local college events or specific proposition wagers for example, all suppliers and operators have traditionally been in a position where hundreds of vital compliance decisions are required daily, to ensure a full and competitive offering with the depth sports bettors expect. This is not only true in the US but also globally – in Europe, for example, certain countries require that operators block bets being placed on minors and lower tier events.

This heralds several potential issues, not least of which is the risk of an error and the reputational damage with regulators that comes with it; with trust and ongoing dialogue being a vital cog in the operations of any sportsbook aiming to attain a significant foothold in regulated markets. It also makes this vital compliance work inherently unscalable.

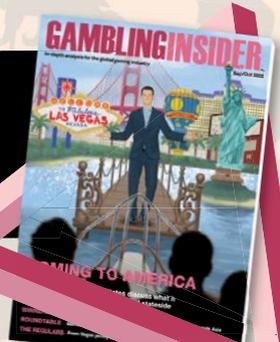
As such, although a significant undertaking in terms of development and resources, automating the filtering of events in line with local regulations can offer a significant enhancement to a sportsbook's ability to launch quickly and maintain full compliance with local regulations. No operator wants to be in a position where they are needing to withdraw events from the offering due to regulatory requirements their technology is unable to reconcile; while it also enables human expertise to be deployed to those decisions where it can be leveraged most effectively.

HIGH-PERFORMANCE SPORTS BETTING EXPERIENCES

On the product side, the popularity of parlays in the US is well established and continuing to increase. To illustrate this, it is worth taking a moment to paint a picture



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of the market's reaction to bet builder, using data on Kambi's product as an example. During the first three weeks of the new NFL season, the percentage of pre-game bet builder wagers rose year-on-year from 18% to 26%, while the percentage of players placing at least one bet builder climbed from 38% to 45%. Meanwhile, the raw total of NFL bet builders placed in September was up by two-thirds on the previous year.

Bet builders exponentially increase the size of the menu and the scale of the options bettors have at their disposal. The power under the hood required to offer this level of combinability across sports and interrelated outcomes – and in such a way that placing these combinations is intuitive for the bettor – should not be understated; but it is a product that is vital for any sportsbook with ambition to get right given its sheer and rising popularity in the US. It is no longer a nice-to-have embellishment to the core product, but a critical tool in any operator's arsenal.

In-game betting is another component sportsbooks must master, as one of the key elements in differentiating an

excellent sports betting experience from a merely good one.

The majority of the major leagues in the US such as NHL and the NBA contain multiple discreet units which can be quantified statistically, and therefore have 'instant' betting markets built around them. For example, 'outcome of next field goal' enables a bettor to wager on whether the next basket in a basketball game will be a two or three-pointer. Coalescing effectively with the popularity of player props, instant betting options appeal to a wide variety of player types and extend the lifetime of a sporting event where the result may have been decided early in the game – for example, result of pitch in baseball when the overall outcome itself has long been certain.

In closing, it should be emphasised that all the product functionality and regulatory tooling in the world will be of little use without the right people in place to take full advantage.

The importance of experience in managing the extensive developmental and compliance challenges that come with operating a best-in-class sportsbook should not be discounted as part of any operator's go-to-market strategy.



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GI FRIDAY

THE DEBRIEF

IS EVOLUTION CEO RIGHT TO BE DISSATISFIED?

Quarterly results week always makes for an eventful *GI Friday* – and this week is no exception. As we reported in our third story, Betsson enjoyed its best quarter ever. And, as Betsson AB CEO Pontus Lindwall exclusively told *Gambling Insider* this week, there is a real sense of pride about those results for the operator – especially its efforts in LatAm.

It was a more difficult quarter for Kindred Group, which had less to lean on in terms of LatAm – while suffering from similar problems as Betsson in the Dutch market. Kambi, similarly, reported a fall in Q3 revenue while citing a traditionally “challenging” period on the sports betting calendar.

What is most interesting once again, though, is Evolution’s Q3 trading report. Its 37% increase led to €378.5m (\$381m) in generated revenue – a staggering amount. Was CEO Martin

Carlesund happy, though?

Not quite. He said: “Total RNG revenue increased by 11% compared to last year, including the acquired Nolimit City business, comparing to pro-forma figures, year-on-year growth is 2%. This is not yet satisfactory. We have delivered too few slot games during the past period; however, we remain fully committed to the target of double-digit growth.”

For us at *Gambling Insider*, this begs the question of whether the CEO should alter his expectations. Evolution has grown into one of the very biggest firms in the industry – so the 100% quarterly growth the live casino supplier was once accustomed to is simply no longer possible.

At the same time, however, Carlesund is clearly keeping expectations high in a likely attempt to maintain a high share price. This is a topic we raised after a similar reaction from the CEO to Evolution’s Q2 results. Could this be perceived as unrealistic by an investor? Or would they instead be encouraged by the supplier’s continued ambition?

There is a balance to be struck, of course. True, Evolution’s RNG numbers are yet to hit the heights of some of its other products. But with Evolution still hitting such high numbers – especially in comparison to some of its Nordic neighbours – is there really any need for pessimism?

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