

# trafficology

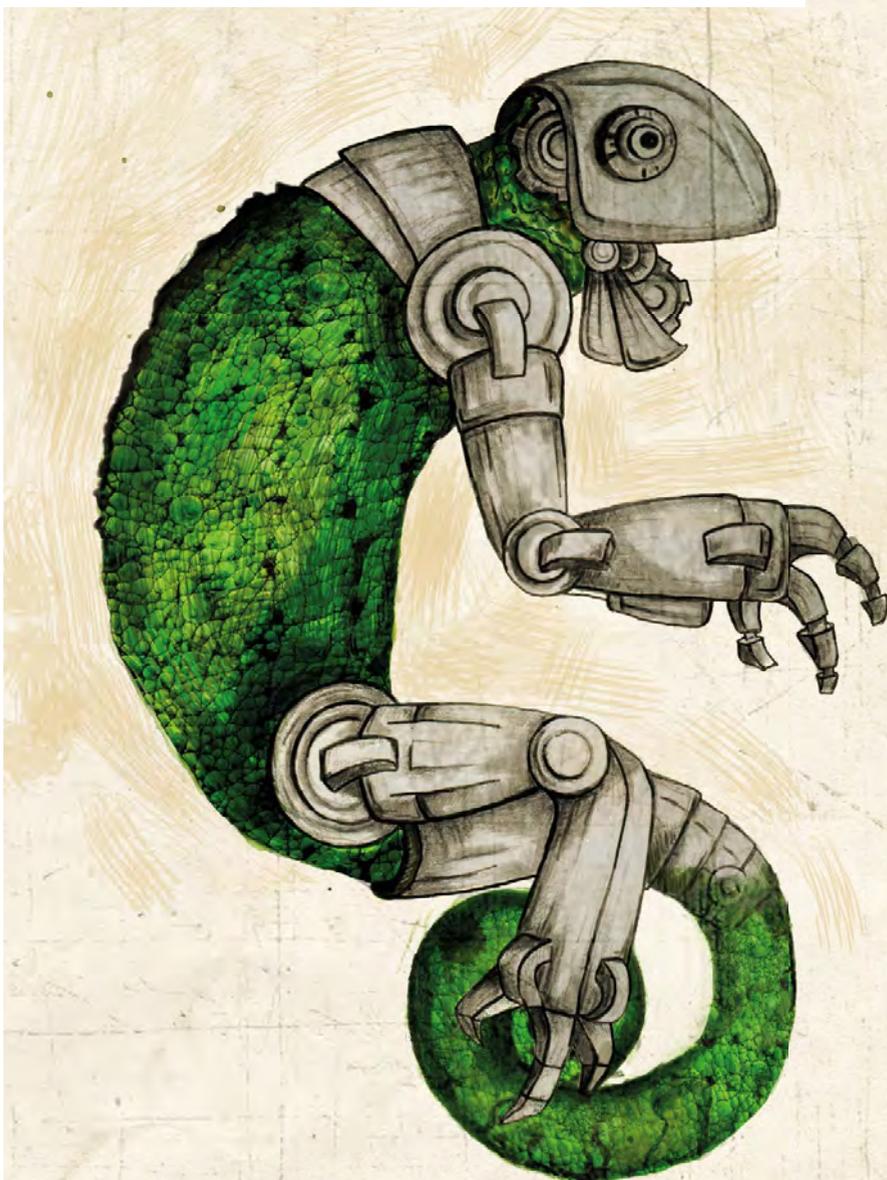
AFFILIATE FOCUS BY GAMBLING INSIDER

JUNE 2017

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## EARNING FROM THE SOCIAL EVOLUTION

How established and new networks can profit from social media platforms

# HOLLAND'S GAMING AUTHORITY GETS TOUGH ON ONLINE GAMBLING



Gaming authorities in the Netherlands have today announced an increase in efforts to stop online gambling operators who illegally operate in the country.

Online gambling is currently illegal in the Netherlands, however many online gambling operators use links from internal Netherlands web domains to take consumers onto externally-operated gambling sites outside the Netherlands.

The Kansspelautoriteit (KSA), which oversees gambling in the Netherlands, is keen to stamp this out and have urged international gambling operators to block Dutch IP traffic from internet users and stop the processing of payment transactions on their sites from any Netherlands-based bank.

In response to these new restrictions, Malta-based online casino brand Royal

Panda informed both its affiliates and customers that it would no longer be accepting Dutch players and advised all affiliates to remove Dutch-targeting promotional content from their websites.

Two other licensed operators with Dutch-facing websites, PolderCasino and FortuinCasino have also announced that they will shut down their operations as a result of the regulatory changes.

The KSA have also announced the commencement of an investigation into potential use of online gambling sites by minors. In a statement released with the announcement, KSA Vice Chairman Henk Kesler said: "That minors can participate in online gambling is unacceptable."

The tougher stance follows the issuing of new industry guidance relating to

national advertising and marketing standards earlier this year.

In February the KSA moved to place advertising restrictions on all gambling advertisements appearing in print, digital, TV and radio mediums in the country.

The KSA has also announced that international gambling operators who fail to adhere to its regulations will be blacklisted and will forfeit any rights to apply for Dutch online gambling licences should the country choose to fully regulate the industry.

Dutch Members of Parliament in the countries Upper Chamber are currently debating the Remote Gaming Bill, which if passed would decriminalise and fully regulate online gambling in the Netherlands.

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# EUROPEAN ONLINE GAMING SHOWING FURTHER GROWTH

Two of Europe's biggest gaming markets recently demonstrated significant growth in their Q1 online gambling figures. The French gaming regulator ARJEL revealed that online sports betting has increased year-on-year by 23% for the first quarter of 2017, setting a new record.

The amount being wagered increased from €516m in Q1 2016 to €633m in the first four months of 2017, while the overall number of gamblers who made at least one online bet of any sort in Q1 2017 increased year-on-year by 10% to almost 1.5m, also a new quarterly record in French online sports betting.

Year-on-year revenue generated from sports betting grew 16% from €82m in Q1 2016 to €94m for the same period of 2017. The number of female sports bettors increased by 40% to 79,000, almost twice the amount of increase in the number of male bettors which increased 21% to 829,000.

Betting on tennis surged year-on-year by 41%, generating €129.5m in revenue compared to €91.6m for Q1 2016, with more than half of those bets being made via in play betting. Increases were also reported in football and basketball, growing by 18% (€348m) and 19% (€81.6m) respectively.

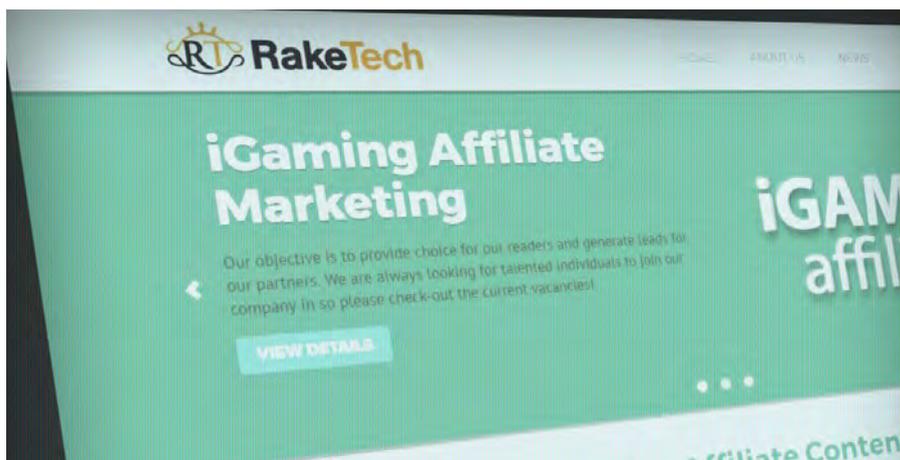


The health of the online sector was also reflected in Sweden's gambling market, which saw a turnover of 5.4bn Swedish Krona (SEK) (\$622.5bn). Lotteriinspektionen, Sweden's gaming regulator, reported that international online operators saw sales rise by 13% to SEK1.25bn in Q1, whilst Swedish-licensed operators suffered a slight dip of 3% to SEK4.2bn.

The state-owned monopoly operator Svenska Spel reported sales falling 5% to SEK 2.16bn; with land-based games dropping by 9% and online gaming improving by 6%.

Sweden is currently reforming its gambling market, enabling international online operators to apply for local licenses, providing a source of government income from the associated 18% tax.

# RAKETECH ACQUIRES DANISH GAMBLING WEBSITES



In line with the trend for mergers in the affiliate world, European iGaming affiliate network RakeTech Group has today announced the purchase of online affiliate websites Pokernet.dk, Odds.dk and Casinoguide.dk for an undisclosed fee.

The move follows the acquisition of sports betting website BetXpert.com and sports streaming website TVsporten.dk earlier this year.

Pokernet.dk is an online Danish poker community which also covers

other types of casino gaming, while Odds.dk includes a number of affiliate sites: Casinoguide.dk, Blackjack.dk, Bonusodds.dk, Livescore.dk, Spilforslag.eu and Sportsbonus.net.

All Odds.dk affiliates have been included in the acquisition deal.

In a statement announcing the acquisitions RakeTech Group Chief Executive Michael Holmberg said: "Pokernet.dk and Odds.dk are a perfect fit for RakeTech. We are delighted to have acquired these new assets and look forward to continuing to provide relevant and high-quality content with a focus on sports, poker, and casino to Danish users."

"RakeTech now has a leading position in the Danish affiliate market. Going forward, we will continue to look for suitable acquisitions that complement our portfolio, as well as growing our business organically by providing great content."

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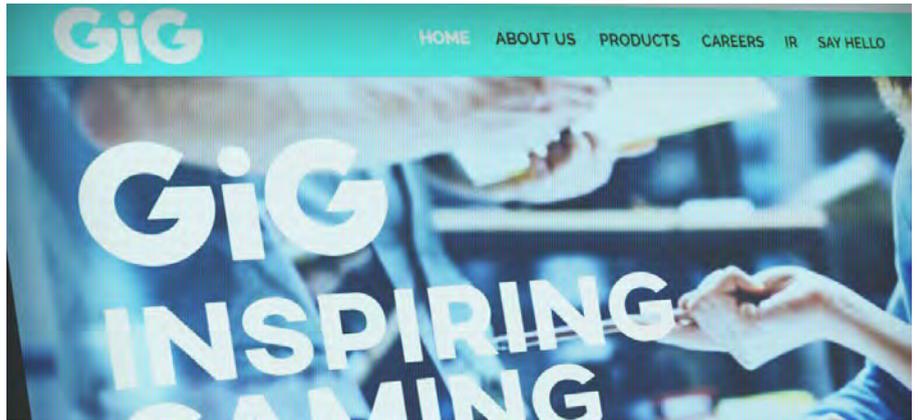
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# GIG TARGETS THE DACH MARKET WITH NEW ACQUISITION

The affiliate market has seen considerable M&A activity over the last year, and that shows no sign of abating. Denmark-based sports betting and iGaming provider BetterCollective has purchased Hebiva Beteiligungen GmbH, the owner of German affiliate network SportFreunde Informationdienste, for an undisclosed fee.

In a move which will see the company expand further into the DACH (German, Austrian and Swiss) online market, the acquisition includes SportFreunde's complete website portfolio, which includes the affiliate websites wettfreunde.net, sportswettentest.net and fussballportal.de.

Better Collective's existing businesses include sports betting social network bettingexpert.com Roulette Geeks, the German casino site CasinoVerdiener and the odds comparison site SmartBets, launched in 2016.



In a statement confirming the move BetterCollective founder and CEO Jesper Søgaard, welcomed the acquisition, saying: "We are moving full steam ahead with our M&A strategy, and we are proud to announce that SportFreunde is joining us. This step reinforces our position as a leading affiliate in the industry."

Heinz Patzelt, Managing Director of SportFreunde added: "We are excited to be joining the Better Collective family, and look forward to expanding SportFreunde and Better Collective's reach by integrating our content to Better Collective's well established global platform."

# SBTECH ANNOUNCES NEW PARTNERSHIP WITH NETREFER



SBTech has entered into a strategic partnership with affiliate software provider NetRefer, in an effort to optimise its marketing potential.

Under the new agreement, SBTech will acquire access to NetRefer's 'Performance Marketing Product Suite', which will enable the company to manage all of its marketing activities for its industry client portfolio.

NetRefer said the platform will allow for the "seamless control" of all SBTech operators "under one umbrella."

Welcoming NetRefer as a new partner, Richard Carter, CEO for SBTech, said: "Offering NetRefer as part of our package will significantly enhance our clients' operations, providing them with a unified view of their marketing campaigns and the opportunity to fully automate the affiliate life cycle - from signup, to CRM management and customer reporting."

Timothy Buttigieg, chief operating officer at NetRefer, added: "We are ecstatic to partner with SBTech, empowering their vast portfolio of operators with our holistic Performance Marketing product suite.

"Through our platform, they will be able to make smarter marketing decisions and maximise their profits."

# CATENA MEDIA BUYS NEWCASINOS.COM

Affiliate network Catena Media has announced the purchase of casino review website Newcasinos.com, in a deal potentially worth an estimated €11.85m.

Newcasinos.com was launched in 2015 and provides consumers with reviews and ratings of online casinos around Europe and has established websites in the UK, Norway and Sweden.

It is the company's second affiliate acquisition in May following the purchase of UK-based Online Media earlier this month, for £11.65m.

Under the terms of the deal Catena will purchase all the company's assets for an upfront cash payment of €7.65m with a further €4.25m to be paid in performance related incentives, should the company reach required sales targets during the next 12 months.

In an investor update Catena Media CEO Robert Andersson said: "With this acquisition we are acquiring another successful online casino affiliate to complement and strengthen our portfolio. The sellers have demonstrated a solid growth and an interesting content offering. This is fully in line with our strategy of partly growing through acquisitions and continuing our solid growth story."

# THE DIGITS

Trafficology has partnered with data experts Casino City Press to bring you an invaluable insight into website and traffic trends across the gaming industry. This month we rank the most popular languages and payment methods accepted on gaming websites.

	<b>Language</b>	<b>No. of Sites</b>		<b>Payment Method</b>	<b>No. of Sites</b>
1	English	3075	1	MasterCard	3122
2	German	877	2	Visa	3165
3	Spanish	799	3	Bank Wire Transfer	2508
4	Italian	709	4	Skrill	2162
5	Portuguese	409	5	NETELLER	2322
6	Swedish	612	6	Maestro	1640
7	Simplified Chinese	364	7	paysafecard	1815
8	Polish	343	8	Visa Electron	1461
9	Chinese	263	9	PayPal	762
10	Czech	241	10	Visa Debit	1207
11	Greek	282	11	Direct/Local/Fast Bank Transfers	529
12	Norwegian	441	12	Check/Cheque	619
13	Romanian	168	13	Sofortuberweisung	630
14	Hungarian	189	14	GiroPay	504
15	Russian	682	15	EntroPay	684
16	Danish	243	16	Skrill 1-Tap	268
17	Dutch	276	17	Trustly	463
18	French	666	18	Online Bank Transfer/Online Bill Payment	195
19	Bulgarian	115	19	Qivi Wallet	280
20	Slovak	99	20	Przelewy24	241

Rankings are estimated based on a panel and should not be considered absolute ranking values. Over 20 complementary top lists are available on the [iGamingBusinessDirectory.com](http://iGamingBusinessDirectory.com) website operated by Casino City Press.



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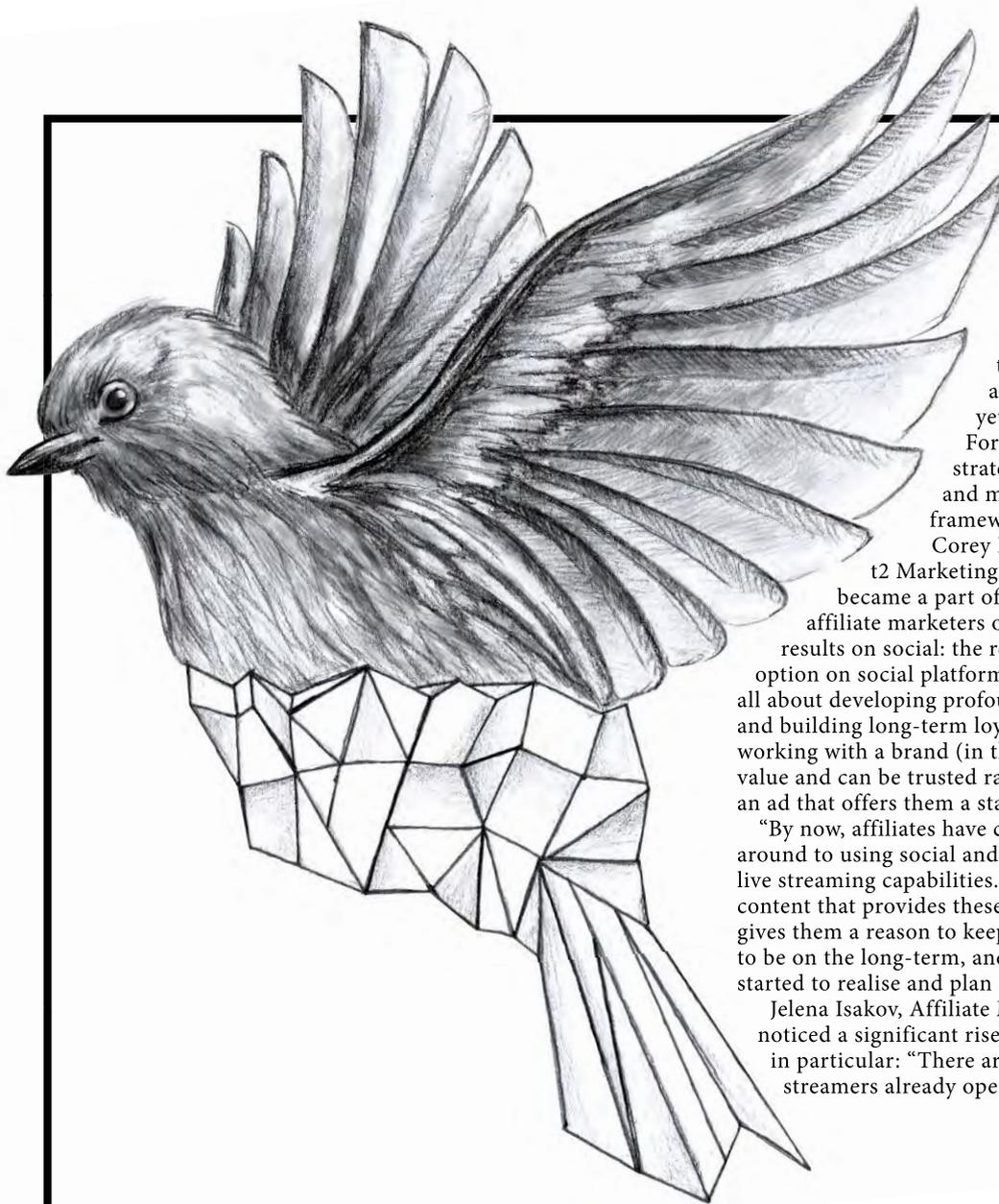
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# EARNING FROM THE SOCIAL EVOLUTION

It's never too late to benefit from a social media strategy, as long as you're prepared to put time and resource behind it. *Words Doug Peck*



The potential of social media and streaming services to generate traffic for operators has resulted in a vast number of new affiliates starting up in the gaming space. There are a number of compelling reasons that social media has fired the imagination of would-be affiliates as much as the established players, yet it has been a tricky beast to master. For the latter, it's been a case of adapting strategy to focus on long-term engagement and move away from PPC, their go-to framework for online marketing.

Corey Padveen, Partner at

t2 Marketing International explains: "When social became a part of the mix, there was little focus by affiliate marketers on what truly mattered to generating results on social: the relationship. While PPC is still an option on social platforms such as Facebook and Twitter, it is all about developing profound, real relationships with players and building long-term loyalty. Players are more interested in working with a brand (in this case, an affiliate) that provides value and can be trusted rather than with simply clicking on an ad that offers them a standard discount.

"By now, affiliates have certainly started to come around to using social and building audiences through live streaming capabilities. The key has been developing content that provides these players with ongoing value and gives them a reason to keep coming back. The focus needs to be on the long-term, and that is what affiliates have started to realise and plan around."

Jelena Isakov, Affiliate Manager at branders.partners has noticed a significant rise in affiliates offering online streaming in particular: "There are a lot of Twitch and YouTube streamers already operating and I'm meeting new ones

every day. They want to build traffic quickly but it's not as easy as it seems. Unfortunately organic and SEO traffic is really rare and precious now, everyone is just looking for investment from casinos so they can fund advertising, and as we know all good affiliates need time and content. Operators need to be patient because sooner or later some of them will show some results and it's better to be there from the beginning."

Social media platforms like Facebook lend themselves perfectly to the sports betting market because of the amount of existing buzz and engagement around sporting events. Antoine Szczot, CEO of Gambling Affiliation, explains: "It is very easy to create and engage a community through talking about betting tips, prediction, results and sport news in general. The main challenge for affiliates in this market is to constantly grow their community and to provide relevant content which will lead at some point the user to register and deposit with the gaming operator."

Ellen Learmonth, Affiliate Management Consultant at Intertops.eu, has witnessed affiliates grasp social media, with the vast majority maintaining a Facebook page at the very minimum, and others using every platform at their disposal. However, this spread of communication outlets has led to some accounts hosting more tumbleweed than anything else: "I have seen a lot of dormant gambling Twitter accounts. The realisation that constant communication on social media requires considerable time and effort which some of the smaller teams can hardly afford. Recently we see some affiliates emerging that are working purely social on Twitter, Instagram, YouTube or Facebook, and I believe, looking at the success of social campaigns, that there are no restrictions if the content keeps to the rules and regulations of marketing within our industry."

Operators are obviously as concerned about the quality of traffic as much as the quantity, so does casting your net into social pools help catch big fish or is it a case of hauling in minnows? "Social media usually generates a lot of acquisition with very high ratio between clicks, registration and deposit," explains Szczot. "What we have noticed is that users generated through social media usually deposit a low amount at first and need to be constantly engaged with by the affiliates in order

followers are already engaged with the products and they are not small-time players. They treat the streamers as a sort of role model in this space and so place significant trust in their recommendations, which can only have a positive impact on the quality of the traffic they generate."

Search engine marketing has clamped down on certain types of offers and markets when it comes to gambling, and the generation of initial players that clicked on search ads are now registered with their preferred operators. For Padveen, the focus needs to be much more heavily placed on social and the



relationships that can be forged with new players. "While there are certainly several qualitative differences in the types of players that are coming from these two platforms, the most notable difference between traffic from search and traffic from social is undoubtedly that there is more future potential from social; not to mention that the cost in both the short and long run will be significantly lower, based on competitive search terms affiliates compete for today."

According to Learmonth, affiliates that generate their traffic through social media seem to have a higher growth rate of user generation, with the caveat that traditional affiliate traffic is much more targeted and the results are therefore more predictable. "Social media campaigns can reach a larger audience but also incorporate a slightly different audience, and this can lead to wastage due to non-specific targeting. Having said that, this generation is moving away from computer and laptops. Their way of communicating is on mobile devices, this is where they spend their life. Naturally this means we must engage with them through their channels, which points to social media and apps rather than websites."

The shift away from SEO into social has also impacted the industry's payments model, with affiliates now moving away from a revenue share arrangement and towards a CPA or CPM model. This has its pitfalls according to Szczot: "This type of remuneration is more subject to fraud and therefore a lot of work has to be done by the operator in order to make sure they are paying for proper traffic. In general, the industry is getting more and more aware of this and a lot has been done in order to detect fraud very quickly. This has certainly resulted in fewer fraud cases happening over time."

For the established affiliate network and new start-up alike, social media and streaming offers the rewards only if you're willing to put significant effort behind building and maintaining an audience. Rather than simply a service to tack on to existing SEO strategy, it can offer the kind of traffic operators increasingly demand with a far greater potential for growth than traditional methods.

## THE MOST NOTABLE DIFFERENCE BETWEEN TRAFFIC FROM SEARCH AND TRAFFIC FROM SOCIAL IS UNDOUBTEDLY THAT THERE IS MORE FUTURE POTENTIAL FROM SOCIAL

to play and deposit more. So the affiliates have an important responsibility here as they need to make sure their community is playing and depositing enough so they can keep their operators happy."

The streaming community seems to generate a more committed player, according to Isakov: "I think that the small number of Twitch affiliates who have a few thousand followers, they generate genuinely high quality traffic. Their

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# BIG QUESTION

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How has the profile of affiliate partners you work with changed over the last year in terms of the marketing channels they use to generate traffic? Do you place more importance on the ones that use social media effectively?

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## RITA VENCKŪNAITĖ

Key Account Manager  
at Energy.Partners

*"We strongly encourage our affiliates to adopt multi-channel marketing strategies, because what works today may not work tomorrow"*

With competition approaching saturation point, getting your message in front of potential players and getting them to act on it is more difficult than ever.

The only way to really do this consistently is by giving potential players real value, in terms of knowledge, information, access to offers, and an interactive community – something which social media lends itself to. So, we are seeing affiliates investing increasing amounts of time, effort and resources into acquisition, and using much more advanced marketing and analytical tools. We're very keen to work closely with affiliates

who are successfully growing fully-integrated multi-platform social media operations.

Due to the rapid pace of change in the world, we strongly encourage our affiliates to adopt multi-channel marketing strategies, because what works today may not work tomorrow – today's social media favourite can quickly become tomorrow's MySpace!

It is increasingly apparent that many of the old 'certainties' and 'rules' of advertising are no longer true, and that in order to build and maintain a successful business, a flexible, committed approach that encompasses a range of current media is vital.



## ROI RINTZLER

Head of Affiliates  
at iAffiliates

*"Media traffic has completely changed with more and more emphasis on programmatic methodologies"*

Our acquisition methodology is taken from our strategic goals and regulatory requirements that in many ways dictate how and where we buy traffic from.

Mansion has extended its presence significantly in the UK since the beginning of 2017. The UK regulator has very strict guidelines when it comes to a few marketing channels i.e: email marketing and spam in particular. We, like most of the UK regulated companies, have almost completely avoided these acquisition channels in the UK. Traffic coming from Torrent sites is another channel that is banned here.

When it comes to the UK, the acquisition approach is to rely more on search traffic (organic and paid).

Media traffic has completely changed with more and more emphasis on programmatic methodologies. Affiliates that weren't flexible enough to keep up with the changes in the industry are no longer relevant.

I can't say that affiliates who use social media are "more important" than others. Social media, like any other platform, can be monetised efficiently or used to send very low value traffic. It comes down to the ROI we will work out with each affiliate and to the mutual understanding that it needs to be a win-win game for both parties.

# AIMING FOR RETENTION THROUGH PERSONALISATION

First and foremost, as should be the case with any affiliate venture, the customer needs to be at the centre of all thinking. This is what we strive for at Better Collective.

We know operators are important but it goes without saying that we must put our users' needs first by catering for the punter.

The problem is that some operators are only incentivising the accumulation of first time punters and not repeat customers. With SmartBets and our other projects, we have taken a slightly different approach, gearing the site more towards customer retention.

Of course, we always want to obtain new users over time, but we want to keep offering our existing user base new and exciting products and services. Keeping punters engaged and coming back for more is a key target that should be aimed for by the affiliate.

With SmartBets, we have designed an odds comparison product with this very much at the forefront of our minds. User preference is the nucleus, including the ability to create custom profiles that let users pick their favourite teams, leagues, betting markets or operators.

Beyond the profile, SmartBets offers personalised accumulators, as well as the option to receive mobile notifications in real-time to let users know how their bets are getting on.

There are a number of clear advantages to this personalised approach, as proven by the amount of customers we're able to retain.

For odds comparison sites, revenue is the result of a user completing their journey by placing a bet.

Simply presenting the odds works for a one-off transaction, but affiliate services can provide an entertaining and enjoyable betting experience which keeps users coming back to their site.

It's no good viewing ourselves as simple mediators between punters and bookmakers. Odds comparison services have a major influence on a punter's betting experience.

That's why it's imperative that services do more to make sure that the experience is personal.

Improving and extending the personal touch drives up user engagement, return rate and chance of continuing their onward journey to an operator and making a bet – while recommending the site to friends, relatives and helping to grow the brand together.

Additionally, helping users more easily get to the markets or events that they want adds another layer of engagement that helps them mould and maximise the experience for their own benefit.

One of the key pillars of Better Collective is transparency, with our goal being to help punters be as educated as possible, making them confident in their betting.

For bettingexpert.com, this is done by giving customers the opportunity to prove their knowledge against and with their peers. They have a chance to compete with and beat the best tipsters out there.

Then there's the customer support. Simply offering a one-dimensional service isn't enough. Customers who are new to betting – and there will be many attracted by big football tournaments – don't just want to see the options; they want to see what the best options are. Creating a space where they can find support is another way of giving them a better experience.

For those new bettors, one good strategy to encourage them to be involved is to provide a freeplay entry option. For example, it might be the creation of fantasy leagues for users to compete for fun against each other.

Not everyone wants to put their money on the line, at least not initially, so this is a great way to enable players to test their own abilities before deciding if they want to financially back themselves.

**HENRIK LYKKESTEEN**  
Chief Commercial Officer  
Better Collective





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