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AFFILIATE FOCUS BY GAMBLING INSIDER

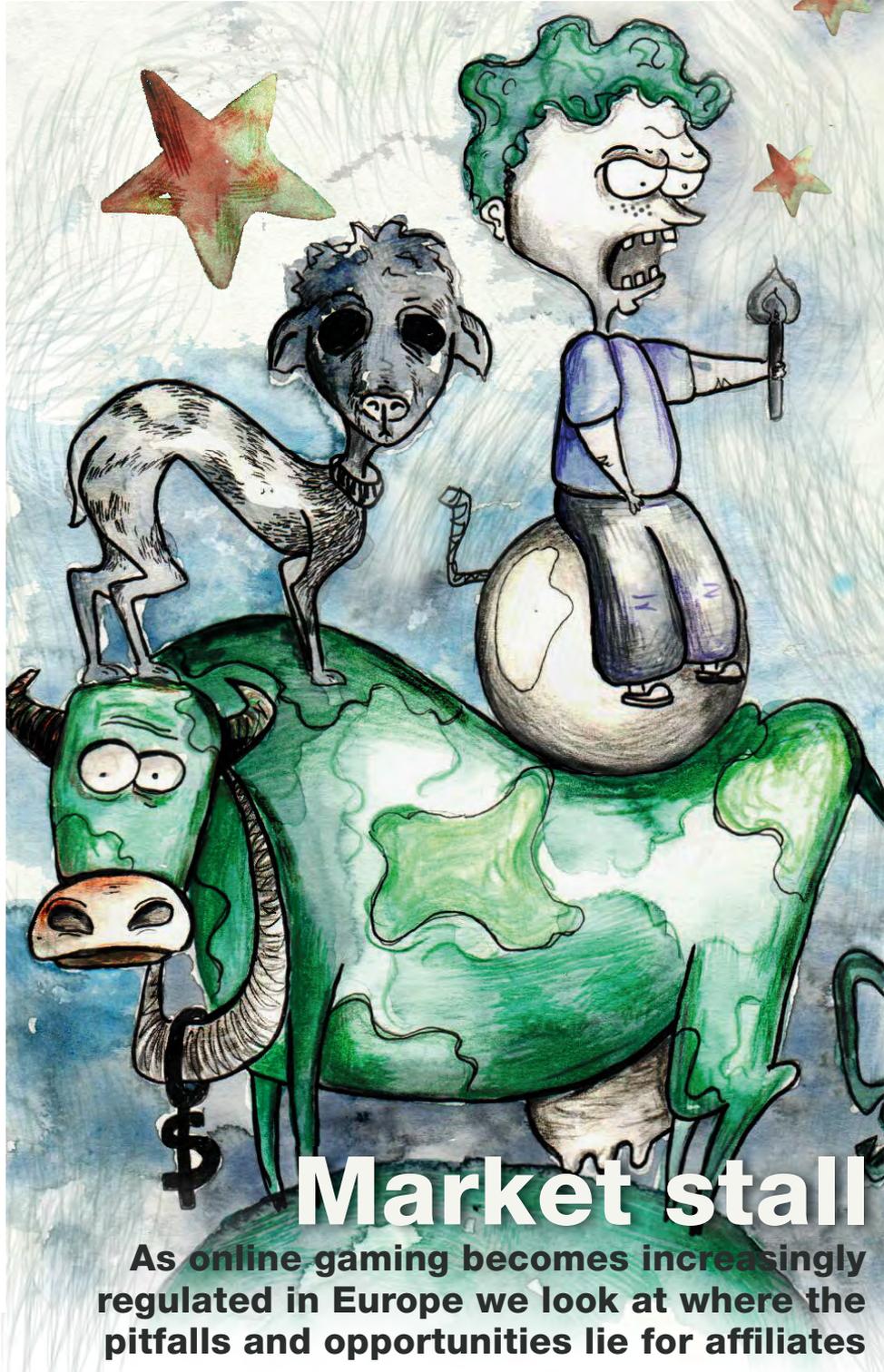
NOVEMBER 2017

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THOMAS RHY-  
JONES, XCALIBER

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## Market stall

As online gaming becomes increasingly regulated in Europe we look at where the pitfalls and opportunities lie for affiliates

# AFFILIATES TO NOW FACE STRICTER ADVERTISING RULES IN THE UK



In the first few days of October, the UK's gaming industry watchdog, the Industry Group for Responsible Gambling (ICRG) published its latest enhanced socially responsible advertising codes, in which it specifically addresses the issue of affiliate liability.

In the third edition of the Industry Code, ICRG details new guidelines designed to limit access by those under 18 to gambling

market material on social media. It includes a requirement that gambling operators must feature the required social responsibility and minimum age requirements on consumer-facing marketing content on their YouTube channels, and also make use of Twitter's age-screening function when marketing to consumers.

Additionally, new codes introduced also require the changing of all references

to the GambleAware website to be changed to reflect [begambleaware.org](http://begambleaware.org). More importantly, for the first time ICRG makes a specific reference to the need for all operators to do their best to ensure that any affiliates working on their behalf also comply with the new requirements.

The IGRG added an additional provision which stated: "For the first time a specific reference to the need for all operators to do their best to ensure that any affiliates that market on their behalf also comply with the requirements of the Code."

Commenting on the reforms, the IGRG Chairman, John Hagan said: "The advertising of gambling has probably never been more in the spotlight than it is at present and we await with interest the eventual conclusions of the ongoing DCMS review.

"In the meantime, pursuant to our own commitment to review the Code on a regular basis, I am glad that we have brought forward now some very worthwhile additions relating to advertising on social media, affiliate marketing and the referencing of [www.begambleaware.org](http://www.begambleaware.org) in print and broadcast advertising."

Originally, the Industry Code was developed in 2007 collectively by the gambling industry under the umbrella of the Industry Group for Responsible Gambling (IGRG) to regulate advertising after the 2005 Gambling Act did not specify particular limits or boundaries. In 2016, the Code was reviewed and a range of additional measures were introduced in its second edition.

## MATCHING VISIONS ACQUIRES NORDIC SEO SITES



Malta-based affiliate network, Matching Visions has announced the acquisition of three Nordic focussed SEO sites: [speltipset.com](http://speltipset.com), [spelpunkten.se](http://spelpunkten.se) and [spelprinsen.se](http://spelprinsen.se) for an undisclosed fee.

The deal follows Matching Visions acquiring a 30% stake in affiliate firm Betting Gods earlier this year, a deal which gives them ownership of a portfolio of SEO websites including [NetEntBigWins](http://NetEntBigWins), [Geeky Gambler](http://Geeky Gambler),

[Betting Gods](http://Betting Gods) and [Internettikasinon](http://Internettikasinon).

In a statement announcing the deal, Leanne Kimmings, Matching Visions Head of SEO, stated: "We're always on the lookout for new and exciting projects to get involved in and this is one we're very excited about. I'm confident that we can take these sites to the next level and it's a great addition to the ever-expanding Matching Visions family."

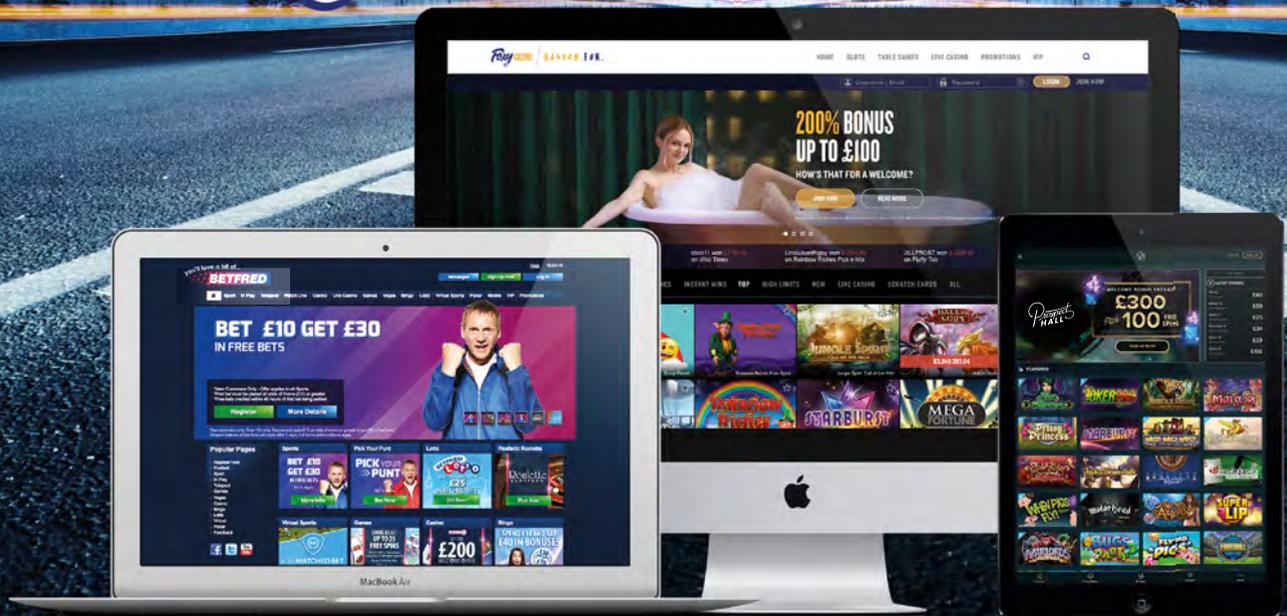
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## CATENA MEDIA CONTINUES TO GROW IN THE RIGHT DIRECTION



Affiliate marketing network Catena Media has started trading its shares on the Stockholm NASDAQ main market, Sweden's largest stock exchange, becoming the 75th company to list on NASDAQ's Nordics markets in 2017.

After receiving the required approvals from the Swedish Financial Supervisory Authority, the firm has migrated from the smaller NASDAQ North Premier stock exchange, where its shares were previously listed, to the Main Market.

Catena governance has informed that the company's shares are being traded in the Mid Cap segment under the same ticker (CTM) and with the same ISIN code as it had previously. It has also confirmed that no new shares were issued in connection with the listing.

In a statement confirming the migration, Robert Andersson, former CEO of Catena Media said: "The listing on NASDAQ Stockholm is a result of great teamwork and is proof of the solid organisation we have

built. This will continue to enable our further growth. It is another big milestone in our company's history."

This move to Stockholm NASDAQ main market follows Catena's impressive first half-yearly financial update. The firm revealed that its year-on-year group revenue for the first half of 2017 had increased by 78%, posting group revenues of €30m, almost doubling the corresponding H1 2016 group revenue figure of €17m.

These encouraging figures have prompted Catena Media to enter into an agreement to acquire an unnamed Japanese affiliate network, strengthening its position in the Asian market at a cost of \$5.5m.

According to the firm, the newly-acquired sites represent some of the highest ranked casino websites in Japan. Under the terms of the deal, Catena will pay \$4m upon transference of the networks assets, with a further \$1.5m to be paid six months after the completion of the purchase.

In a statement, Catena has confirmed that the acquired assets currently generate quarterly sales of around €350,000 with an operating margin of around 80%.

Andersson commented at the time of release: "This is a good example of an acquisition in line with our global growth strategy, and we will be well positioned for future expansion in Asia."

## LEOVEGAS AFFILIATES WINS FIRST GLOBAL GAMING AWARD

The affiliate arm of online casino LeoVegas was presented with the award for Digital Acquisition Program of the Year at the Global Gaming Awards 2017.

The award recognised the incredible growth in player numbers driven by LeoVegas Affiliates, as well as the level of personal support it offered its partners. The competition in this category was as strong as ever, with 9 other affiliate programs, marketing companies and SEO specialists vying for the title. The judges recognised the exceptional levels of service LeoVegas offered to its affiliates as well as the sheer volume of player traffic it generated, just moving it head of Ladbrokes Partners and Betway Partners, in second and third place respectively.

The presentation event, arranged by Gambling Insider, the American Gaming Association, Reed Exhibitions and G2E Vegas, recognises the best innovations and achievements across the digital and land-based sectors of the gaming industry in 12 categories. This year was the most successful edition of the awards yet, seeing over 500 influential figures from the industry's most prominent brands gathering at the Bellini Ballroom at The Venetian.

## GAUSELMANN GROUP CELEBRATES 60TH ANNIVERSARY IN STYLE

The family-run Gauselmann Group celebrated its 60th anniversary in a spectacular and festive weekend in Germany this September. Several thousand guests attended the festivities in a huge tented village (measuring 36,000 m<sup>2</sup>) that was especially built for the event in the field behind company's production facility in Lübbecke, north-west of Germany.

The event started with an exhibition from various subsidiaries of the Gauselmann Group, followed by two gala evenings. Guests included representatives from the worlds of politics and business, the gaming machine industry, clients and family and employees. The special guests of the evenings were internationally renowned violinist David Garrett and his orchestra as well as a famous German pop group Pur. Both evenings concluded with a

25-minute of fireworks and laser show, which lit up the night sky of the whole area.

Paul Gauselmann, the company founder, started his business in the late 50s producing jukeboxes in Germany, which led on to him manufacturing gambling slot machines. Today, the company is a global player and a market leader in the gaming machine industry, servicing hundreds of gaming and betting halls across Europe, with more than 12,000 employees and a volume of business worth approximately €2.5bn in 2016.

In 2016 the Group, previously operating mainly offline and in B2B environment, recently launched the Merkur Partners affiliate program with their own online gaming brands, facing the regulated markets of Spain, Italy, UK and Czech Republic.





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Jobbigt höga vinster

# 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 top 20 bingo and poker web portals

## BINGO WEB PORTALS

Traffic Rank	Website
1	freebingo.co.uk
2	superfreebingo.com
3	loquax.co.uk
4	bingoport.co.uk
5	whichbingo.co.uk
6	bingolobby.co.uk
7	freebingohunter.com
8	bingo.es
9	i-love-bingo.co.uk
10	joyofbingo.com
11	latestbingobonuses.com
12	boomtownbingo.com
13	twolittlefleas.co.uk
14	onlinebingo.co.uk
15	thebingoonline.com
16	bingo.org
17	internetbingosites.com
18	glitzybingo.co.uk
19	bingo.cherokeecasino.net
20	best-online-bingo.com

## POKER WEB PORTALS

Traffic Rank	Website
1	pokernews.com
2	pokertube.com
3	officialpokerrankings.com
4	gipsyteam.ru
5	pokervip.com
6	highstakesdb.com
7	cardplayer.com
8	cardschat.com
9	pocketfives.com
10	pokerpt.com
11	sharkscope.com
12	educapoker.com
13	pokerstrategy.com
14	pokeroff.ru
15	pokerlistings.com
16	pokeratlas.com
17	clubpoker.net
18	pokernet.dk
19	academypoker.ru
20	thehendonmob.com

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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# PASSPORT TO THE EAST

With a population nearing 90 million, Eastern Europe could be the gambling industry's next big win, but are restrictive regulations and over taxation spoiling the party for gambling operators and their affiliates? **Robert Simmons** spoke to a number of legal experts in the region to find out



When considering the imposition of regulatory frameworks on any gambling industry, we must understand two things. The first is that restrictions are at their heart a form of financial protectionism, a way of keeping the revenue generated by the gambling industry in that country.

The second factor to consider is that there is also a moral imperative to ensure that your citizens do not fall prey to firms that you cannot control, be it by regulatory means or through taxation.

Some regulators in Eastern Europe, keen to keep currency in country and safeguard their citizens from supposedly unscrupulous gambling operators, have applied a scattergun approach to regulation, stopping the flow of currency out of their respective jurisdictions but cutting off areas of potential expansion for the gambling industry in Eastern Europe.

Tightening regulations and blacklisting have become an all too prominent feature in this area, with many operators choosing to retreat to the more accepting markets of Asia and Western Europe. Despite this regulatory minefield, there are still operators who view the Eastern European market as a great untapped resource and with almost 90m potential players, how are eastern European markets responding?

**POLAND - PIOTR DYNOWSKI, PARTNER, BIRD & BIRD**  
Despite recent significant changes to the Polish regulatory regime that entered into force earlier this year, Poland still remains one of the most regulated and restrictive gambling markets in Europe.

Although some rules on advertising of sports betting or organising minor sport poker tournaments were eased, the new laws for the most part are either intended to tighten the



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restrictions concerning gambling. The sole beneficiary of these changes is the current monopoly holder: Totalizator Sportowy which will now be allowed to launch online casino services and run slot machine parlours throughout the country. Thus, the majority of the gambling market will still remain restricted to private operators.

The new regulations are still pretty fresh (the majority of them entered into force on 1 April, whereas website and payment blocking measures entered into force on 1 July) and it may be too soon for a thorough assessment of their impact on the market. However, legislators were clear that the reform is aimed at dealing with the gambling black market in Poland while increasing the revenue of the state treasury and protecting Polish players, rather than discouraging international operators from entering the Polish gambling market.

The local online betting operators, who benefit from the new policy of blacklisting offshore gambling websites, report that their earnings are rising under the new law. Blacklisting could be a major factor in that, as according to studies, offshore operators used to control 60-80% of the Polish market before the new regulations were introduced.

The bulk of the existing online betting operators welcomed the introduction of blacklisting, which is something they had lobbied for as a means to fight unlicensed operators. A group of Polish betting operators even launched an unofficial register of websites they had considered illegal before the provisions on blacklisting and the official register came into force.

As a consequence of the new measures, we have seen a number of operators which have decided to withdraw from the Polish market, some that decided to "legalise" themselves and apply for online betting licences, and some that have decided to carry on as before and challenge the legality of the new Polish regulations.

However, the most effective deterrent is not the website blocking mechanism (which in fact is quite easy for the players to circumvent, even though participating in offshore gambling



PIOTR DYNOWSKI

Despite the steep taxes and restrictive gambling regulations, Poland is still a big market and is potentially attractive to operators. Rules on advertising were recently relaxed, opening the door for a potential mobile sports betting market, however this may close again in the future.

In the light of these changes a number of betting operators also seem to have increased their media presence; airing new TV adverts and signing many new sponsorship agreements with sports teams in Poland.

Aside from betting operators, both land-based and online, the only major private operators on the Polish market are land-based casinos. So far, the changes in the law affected them only to a very limited degree, but this may change very soon. The new law gives Totalizator Sportowy the power to launch an online casino and a chain of land-based slot machine parlours. These have not launched yet, but it will be interesting to see the impact this may have on land-based casinos.

#### **HUNGARY - GÁBOR HELEMBAI, SENIOR ASSOCIATE, BIRD & BIRD**

In a ruling handed down in June, the Court of Justice for the European Union (CJEU) ruled that Hungary's new online gambling regime had unlawfully excluded EU-licensed operators from the country's licensing process. The case had been brought by the Kindred Group's Malta-licensed Unibet brand. It is important to note that the current Hungarian system of gambling regulation is not exactly the same compared to that which was criticised by the European Court of Justice in the Unibet case earlier this year, there has been some changes.

However the rules are still very restrictive which means that many foreign operators cannot enter the Hungarian market legally. Despite this restrictive framework, the Hungarian authorities were and are still not able to ensure the dominance of the state owned gambling operator Szerencsejáték Zrt which has led to the creation of a significant grey market. Therefore, I don't think we can say that Hungarian regulation has been a success story in recent years.

The European Court's ruling in the Unibet case has had seemingly no immediate impact on the Hungarian market. The National Tax and Customs Administration has yet to release its official standpoint how operators looking to operate in Hungary should proceed and the list of blocked websites is still available

## **BULGARIAN GAMBLING LEGISLATION HAS SET SOME VERY IMPORTANT PREREQUISITES TO WHAT IT HOPES TO BE AN OPEN, TRANSPARENT AND COMPETITIVE GAMBLING MARKET**

is a crime in Poland), but rather the new payment blocking mechanism. Payment service providers operating in Poland are obliged not to offer their services to those operators that have been blacklisted, leading to sources of funds for many gambling websites being cut off.

For many years, the restrictive Polish regulatory regime, and in particular sports betting's punitive gambling tax rate of 12% of total turnover, were effective at discouraging operators from expanding into Poland or at least applying for a Polish licence. Initiatives to change the taxation from turnover to Gross Gambling Revenue (GGR) have not succeeded so far, but actually we're seeing some leading international betting operators applying for a licence in Poland, although they will meet fierce competition from the already established legal betting operators.



on the administration's website (which still features Unibet's website). However, the authority has made several decisions on the blocking of further unlicensed websites since the publication of the ruling in the summer of 2017.

Despite the blacklisting, lots of major online gambling operators are operating in the territory of Hungary without having a valid Hungarian licence. This indicates that the operators are largely ignoring the penalties for operating in Hungary and also that the Hungarian authorities' actions are not really effective.

As mentioned above, neither the Hungarian gambling supervisory authority, nor the Hungarian government have released their standpoint on the ruling and no information is available about their plans if they are considering to amend the regulation or not. It is not yet known what is happening behind the scenes, but the legislator has to do something urgently otherwise further legal disputes could be expected at the European Court of Justice.

The Hungarian gambling regulatory system itself is not overly punitive and there are no extreme fines for operators. The problem is rather (as it was detailed in the European Court's ruling) that the regulation is overtly discriminative against foreign operators or could be applied in a discriminatory way to any operator entering the country. In my opinion the first priority of the National Tax and Customs administration should be to create a regime which is both non-discriminatory and compliant with all aspects of EU regulation.

The fact that several major online operators' websites are still available from the territory of Hungary even in the Hungarian language clearly signals that there is a huge demand for the service of international operators. The issue is meeting that demand with a regulatory regime which allows this market to operate and grow.

#### **BULGARIA - NADYA HAMBACH - ATTORNEY AT LAW - VELCHEV & CO**

In communist Bulgaria, gambling was either prohibited entirely or incredibly restricted, with the country's few casinos catering only to foreign tourists until the breakup of the communist bloc in 1989. In the first few years of democracy in Bulgaria, the gambling sector grew rapidly, almost entirely free of regulation or supervision.

However in light of the rapid growth the need for regulation became a more prevalent one, with the local industry itself spearheading the drive towards regulation as a way of ensuring stable long-term development in the country's gambling sector.

Examining this drive towards regulation, Bulgarian lawmakers were forced to balance the need to stop illegal operators with the need to ensure that players are protected. This led to the first gambling regulations which were aimed at making the business environment suitable for developing a competitive and well controlled gambling market.

Unfortunately, this has not been a smooth process with the new regulatory framework being drafted and discussed for more than four years. A key stumbling block in this regulatory process has been the taxation regime which has been introduced, which actually aimed to "fine" the industry. The initial 15% tax on company turnover has adversely affected the development of the market, effectively negating the benefits of the liberalised regulation.

Upon further public consultations, a new tax system changing this tax rate to 20% GGR was introduced at the beginning of 2014 which the government believes is already compatible with its aim of encouraging legal gambling businesses.

The Bulgarian system of individual licences for different gambling verticals is almost identical to the Danish regulatory model, and one which is endorsed by the European Court of Justice as being compatible with the principles of the EU. There is no limitation of the number of licenses to be issued. The licensing procedure is transparent and feasible. A gambling tax rate at 20% GGR is an important positive feature of the regulation. Additionally, Bulgaria is one of the few European regulatory jurisdictions which does not legally favour a state monopoly.

Bulgarian gambling legislation has set some very important prerequisites to what it hopes to be an open, transparent and competitive gambling market. There are no discriminatory requirements which would create impossible hurdles for EU/EEA operators looking to enter the market and there is no need for an operator to establish a local company, create a .bg domain and/or to move its whole infrastructure to Bulgaria in order to get a licence.

Since its start in 2012, the regulations governing the market have been improved several times with amendments aiming to reduce the administration involved. Five years on from introducing online gambling regulation for the first time, the number of businesses who have obtained licenses to operate in Bulgaria has grown to 24, including both local and foreign operators, among which some of the biggest international ones.

For me, blacklisting is not an effective measure to stop illegal gambling operations, an opinion which has been proven to be true with regard to Bulgaria. Blacklisted websites often appear again and again, often being accessible through partner websites, until the partner website is blacklisted as well. However the positive news is that of the 700 blacklisted websites in Bulgaria currently, the bulk of these are small illegal operators rather than international names.

In all actuality, regulation helped the legal gambling businesses in Bulgaria to expand, resulting in a reduction in the market share of the illegal operators. This process was helped by the fact that regulation allows licensed operators to become easily recognisable in Bulgarian society. In this strictly regulated environment only licensed gambling operators can advertise, with strict sanctions for companies advertising illegal operations.

For the most part Bulgaria's operators are committed to compliance with the regulatory regime and have a long-term vision for a healthy business expansion. Despite its small size, the Bulgarian gambling market has matured and has proven to be an invaluable starting hub for operators willing to explore the potential of the Eastern European market

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# THE REGULATION REVOLVING DOOR

The gaming environment across Europe has recently experienced a period of unprecedented legislative flux, with some countries closing their borders to online operators while others now positively welcome them. *Gambling Insider* spoke to two affiliate managers to get their take on how this has affected their operations and the industry at large



## THE PANEL:

**MAXIMILIAN SOLZ,**  
Affiliate Manager, Fair Play Partners

**NORBERT VARGA,**  
Head of Affiliates at LVBETpartners

### What are your thoughts on regulation of the affiliate industry in Europe?

**MS:** Affiliates associated with the online gaming industry have come on in leaps and bounds since the days where there were just a few marketing emailers floating around. Now the affiliates department, although not directly licensed by any gambling commission, is one of the most important departments in any gaming company; they drive traffic to the sites and make up a large percentage of the revenue.

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Affiliates are now not being directly held responsible for any foul play under new regulations, whereas the associated company is now directly liable, causing a massive shift in the way affiliates are represented. A spokesman from the UK's Gambling Commission recently said "The UK gambling advertising rules are strict and require betting and gaming to be promoted in a responsible way, and place a particular emphasis on protecting young and vulnerable people."

**NV:** In general, when we learn of new regulations we are unlikely to start singing 'Ode to Joy'; however, we appreciate the move towards regulating the affiliate market. The industry has evolved so rapidly, that the need for some form of coherent regulation is becoming acute. It should be remembered that many affiliates started out as little more than hobbyists, and then suddenly, almost overnight, found themselves part of an industry in which some affiliate companies are investing and generating more money than the operators!

All affiliate programs are feeling the strain right now, especially in markets lacking clear legal guidelines, because of the uncertainty, the sheer weight of responsibility and potential liabilities being placed on them. We believe that all parties stand to benefit from a regulated business environment in the long term, but we recognise that it may, unintentionally, discourage some smaller affiliates – particularly those who still view it more as a hobby than a serious business.

Looking to the future, we see the entire gambling business going through major changes, and the affiliate industry, particularly, will become much more professional. We very much hope that the various authorities will recognise this change, and start appreciating that the industry is a legitimate and important sector. Of course, to ensure this, will require those authorities to bring onboard officials who have a genuine understanding of affiliate marketing – indeed, we feel it is critical that all industry players do their best to make this a reality. Ultimately, it is vital that the industry regains balance, refocuses on true partnerships, and steers away from a one-sided situation in which all the risks are borne by one party.

The best way to move forward would be for true pan-European regulation, that protects both affiliates and operators, rather than a patchwork of inefficient and confusing national rules. This would also be the most effective way to force unscrupulous players out of the market altogether.

#### **How have the regulatory changes in Eastern Europe affected online operators and their affiliate partners?**

**NV:** Though there have been mixed results, they have highlighted how those trying to regulate affiliate marketing, often have precious little understanding of it. We also think it unfair that, in the markets that were closed down, hundreds of hardworking affiliates woke up to find that their efforts and investments had been in vain. Taking a pragmatic view, the changes were a wake-up call for everyone, and many of those partners who found themselves banned from markets are now among the most vocal calling for increased regulation.

As is often the case, innovation shines most brightly during times of unexpected adversity, and we have seen many affiliate partners find ways to protect themselves – focusing on more than just general KPIs, and starting much-needed conversations with operators about how to move forward. It is by working together like this, that we are confident that affiliates and operators can still prosper.

Indeed, there are already examples of effective regulation in Europe, such as the framework adopted by Romania, where affiliates are required to be licensed. The process is clear and efficient, and the fees are reasonable, even for part-time affiliates. Though our brand does not currently operate in the Romanian market, many of our partners do, and we are getting great feedback. Another, though less welcome example, would be the Polish model that bans casino advertising, only allows sports affiliation with a few regulated brands, and sets general advertising rules that must be followed by everyone but refrains from directly targeting affiliate marketing.



MAXIMILIAN SOLZ

## **IN THE MARKETS THAT WERE CLOSED DOWN, HUNDREDS OF HARDWORKING AFFILIATES WOKE UP TO FIND THAT THEIR EFFORTS AND INVESTMENTS HAD BEEN IN VAIN**

Other countries, unfortunately, hastily chose to ban all marketing, resulting in black, murky environments in which certain non-EU licensed operators have employed all kinds of questionable tactics to capitalise on the situation. Many responsible operators, us included, are waiting for changes in these markets, so that we can legitimately compete on equal terms and provide a safe, secure service.

The truth is that, though the majority of the affiliate industry is responsible and legitimate, it is still unfairly stigmatised by those who base their views on the actions of a deviant fringe minority. We welcome changes that will enable the affiliate industry to emerge as a widely accredited leader at the forefront of marketing innovation.

#### **How do you think affiliates are reacting to these changes?**

**MS:** If there is a good relationship between the affiliate and the operator then there should be some kind of respect and understanding that all will be well and no funny business will occur. But if the relationship is not solid the operator will be more concerned by these changes, so relationships will be strengthened by both parties to maintain the flow of traffic. Affiliates are being cautious as well as more amenable so they are not thrown to the curb like those that have served SkyBet.

**NV:** With so many different affiliates in our huge partner community, from large companies to individuals, their reactions have, as expected, been varied. After so long with such a free reign, it may be a bit of a culture shock for some affiliates, but we have found that most accept and understand that by improving player protection and confidence – always the highest priority for all of us – we will all benefit in the long run.

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NORBERT VARGA

Of course, as with any rule change, a few affiliates have had to modify some of their creative acquisition plans, but in general, there have been no complaints so far. Overall, we feel that our affiliate partners appreciate that the changes are making things more transparent, and are helping to improve their own security too – and that is giving them much needed confidence.

**Are there other growth markets that affiliates are now focusing on in Europe?**

**MS:** The online gambling industry is growing at an astonishing rate, 11% globally! It's worth a staggering \$37bn a year, covering 85 nations across the globe and it's increasing all the time. There are emerging markets still in Europe but many are also being regulated too so it's a bit of a minefield. But currently the industry's focus is on Italy right now after it is recovering from its last crisis, and the situation there is looking promising.

**How can operators help those affiliates affected when they leave a territory? Is it their duty to help them or not?**

**MS:** Operators can help out affiliates in a number of ways, but the question is should they? For bigger operators the answer is yes, as they have the capabilities and resources to, but also they have a vested interest to help their affiliates as they make up a large percentage of their income. So losing this will have a big effect on the revenue and exposure gained by using affiliates for some. These bigger companies have the tools to offer more languages on their sites, offering the service to a wider audience and having a support team being able to communicate in a native language will go a long way. Increasing the types of physical and online currency accepted and used for depositing and withdrawing methods will be a big boost. However the smaller companies may not have as much help on hand to assist their affiliates so there is really another question being raised: Does this mean that the smaller operators will also be affected by the loss of certain affiliates from the change?

**NV:** Risk is inherent in any business, but the affiliate marketing industry has always carried more risk than most – due to a mix of lack of regulation in some places, and overregulation in others. Affiliates, just like operators, have always been well aware of this, and because of the high degree of mutual respect in well-established partnerships, we have found that affiliates usually understand and accept the decisions of operators to exit specific markets.

Though operators are aware that they cannot afford to lose productive partners, helping affiliates specifically in response to a market exit would be practically impossible. Instead, operators should make it clear at the very start of a relationship, that partners should ensure they have a diversified multi-market strategy, thus minimising the impact if the operator exits any particular market. Some affiliates have taken to running their businesses focusing on the so-called 'grey' market, but realistically this cannot be sustainable for any length of time.

Even if an affiliate decides to pull all their efforts in a closed market, their technical expertise, like SEO, content, or product development, can still be valuable for operators, so it is important to maintain close communications. On top of this, affiliate managers are not just administration assistants, and the friendships that develop, through working so closely together over time, often turn into real friendships – and who can put a value on that?

**How will GDPR affect affiliates in Europe?**

**MS:** The new GDPR regulations will affect affiliate businesses somewhat as they do require them to obtain and hold customer information, but this will not affect them as much as operators who deal with customers directly as they store much more information relating to each client. Affiliates who are sole operators will be affected more than ones who are linked to a bigger business or operator, where they will take the brunt of the changes needed before May and will then trickle the changes down to the various departments.

**NV:** Again, whilst the new General Data Protection Regulation will definitely have an impact on affiliates, it is nothing to really worry about. Privacy and data protection have always been very important in this industry, and meeting the most stringent standards is a way for affiliates to ensure they remain in the forefront of a competitive field. No doubt, there will be some affiliates who react negatively when operators introduce new rules, or run more thorough audits, but we see it as a necessary part of the industry evolving to ever

**HELPING AFFILIATES SPECIFICALLY IN RESPONSE TO A MARKET EXIT WOULD BE PRACTICALLY IMPOSSIBLE**

higher and more sophisticated standards – something that will benefit us all.

Whilst affiliates will not be subject to any more liability than they already are, and most will do their best to comply with the new standards, operators will gain a level of control over procedures that they have not wielded before. By standardising requirements, affiliates will also be able to feel happier that they are not being singled out and having their lives made unfairly difficult by operators. This should help foster a more content atmosphere, and reduce the risk of losing affiliates – again, benefiting everyone. The future is challenging, but bright.



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# BALANCING CREATIVITY WITH COMPLIANCE

*Gambling Insider* talks to ActiveWins Managing Director **Warren Jacobs** about the DNA of the business, the support of influential partners and the impact of increasing compliance on operations



**How was the ActiveWins brand initially developed?**

The ActiveWins affiliate program officially launched in March 2013 with a team of three sitting at one desk in a large office managing Betfred's affiliate efforts. I was committed to making the business a success and took out such a large space because I believed webmasters would welcome our model of good business with a personal touch in the online gaming space. And I was right.

Fast forward to 2017, we now have over 125 staff and represent six brands. We continue to redefine ourselves and offer the very best in digital marketing channels across multiple verticals. Our priorities are providing good service, optimised creative and processing timely payments. Although we don't always get it right, our team makes every effort to achieve these goals consistently.

**What in your opinion is ActiveWins' USP and how does it differ from other affiliate networks?**

There is a delicate balance between the needs of affiliates and the needs of operators which must be catered to. We have grown our staff to continually invest in talented account managers, designers, dev ops and support services to ensure both affiliates and partners like Betfred, Prospect Hall, and Foxy receive exceptional service and expert advice.

We have big plans for ongoing growth and even more channels to add for clients. Another differentiator with ActiveWins is there's a standing invitation to affiliates who can come to Manchester and see the office, meet the team and get to know us. There is no "cloak and dagger" here. What you see is what you get.

**In your opinion what is the most important part of the affiliate relationship and why?**

In today's digital world, technology makes it easy for businesses to operate efficiently through automated processes. In particular, many online businesses adopt the use of automation to manage customer support.

As much as I appreciate the wonderful advances in technology, I firmly believe that putting a face with a name and advising affiliates on new offers or better ways to improve their traffic is what sets us apart from other programs. It might not make sense for every business to bring in the amount of staff as we have, but I feel it is worth every penny invested in our relationships with affiliates.



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**How has having relationships with high profile industry giants like Fred Done boosted your ability to attract affiliates?**

Fred Done is a legend, and I look to him as the most important mentor and partner any entrepreneur could hope to have. After fifty years, he still treats his customers, employees and affiliates with the same level of respect as when he opened his first shop in 1967. He even visited the 2017 London Affiliate Conference to shake the hands of the people who support Betfred. I can't think of another operator who can say the founder of their business is interested in attending industry events to meet affiliates. That is what makes Fred so special.

**What has been the biggest challenge for the firm during the last 12 months?**

Without question, compliance has been dominating our internal processes over the past year. We work closely with the Gambling Commission to thoroughly understand the latest guidelines and relay changes to our affiliate partners. Ongoing scrutiny over adverts and offers prompted us to invest in a dedicated in-house compliance team whose sole purpose is to ensure we adhere to industry regulations. Both operators and affiliates appreciate our commitment to responsible advertising to players. We see a strong future with our affiliates, and this is something we are keen to protect.

**How has the Google Penguin update affected your business?**

Every time Google amends algorithms, the digital community lets out a huge groan. However, these changes are designed to make the search experience better for users. For affiliates, we provide content optimised for SEO that not only appeals to readers but helps search engine rankings. Likewise, we have considerable expertise in paid media like PPC and display advertising which are additional channels for our digital campaigns. We therefore have all the bases covered for organic and paid activity.

**What is your most popular commission model at the moment and why?**

Revenue share is becoming increasingly predominant because it means more commission to affiliates who drive quality traffic. Success in affiliate marketing requires a true commitment from webmasters, and when they see how much



**WITHOUT QUESTION, COMPLIANCE HAS BEEN DOMINATING OUR INTERNAL PROCESSES OVER THE PAST YEAR**

monthly rev share income is generated from their carefully curated site, it becomes a no-brainer to opt for that model.

**In your opinion does ActiveWins' background as a marketing agency give you a unique insight into affiliate marketing that other affiliate networks do not have?**

We wear many hats at ActiveWin. Aside from being a digital marketing company in gaming, we have diversified into the medical and property sectors and also work within financial services. This experience has made us very comfortable operating in highly regulated industries. This advantage is twofold; working in gaming enables us to replicate successful strategies to other verticals, while non-gaming provides us with an understanding of finesse that we inject into our gaming work.

We also have in-house brands which give us an appreciation of what an affiliate feels as they invest hours, months and years developing their properties. We are not a program that's owned by a brand and that is a strong differentiation.

**Has the online gambling boom in New Jersey aided your affiliate business?**

The New Jersey market is a money pit and competitors are losing cash by the barrel load. This is an area we are avoiding until the US becomes a mature market place.

**Will you be looking to bring on more bingo brands as the growth in this sector continues?**

As long as we can maintain the balance of consistently high performance, we will look at new opportunities. We do get contacted by brands looking for advice or partnerships, so this is something we encourage.

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# ONE EYE ON THE HORIZON: WHY VIGILANCE IS THE KEY TO GDPR COMPLIANCE

**James Barrett**, European Operations Director for Endace talks about why eternal vigilance is the price of GDPR freedom

The online gaming and gambling industry has evolved beyond all recognition within the past decade. Mobile technology means gambling is accessible at all times, irrespective of language, geography or timezone. By next year the mobile gambling industry is set to take 40% of the total online gambling market.

It is one of the world's most competitive markets. Yet it has been commoditised to such a degree that if a user has a bad experience with a platform they will simply empty their account and move elsewhere. In that regard, any situation that is likely to result in negative perception from the customer needs to be avoided, or at least minimised, at all costs. This means that how the industry handles a cyber attack takes on unprecedented levels of importance.

Cyber security is also a concern linked to private cloud technology used by many of the platform-based companies. This technology enables companies to change things very quickly - from creating a new game to altering the billing technology. These private cloud networks are very dynamic in generating revenue and lowering the cost of operations, but not enough analysis has been done to ensure they are protected. This makes them opaque, and opaque is difficult to secure.

## HISTORY OF HACKING

History tells us that security is a problem for the gaming industry, which has in some cases been slow, not only to react, but to divulge critical details relating to what data has been lost, when, where, why and how. When we're talking about people's personal and financial information, that's a huge problem.

There are many examples. In 2015, Forbes revealed two databases had been breached belonging to major gambling payment providers Neteller and Moneybookers (now called Skrill), affecting 3.6 million and 4.2 million customers respectively. Both related to attacks that had happened in 2009 and 2010. In 2014, the Irish online gambling site Paddy Power put out a warning that it suffered a data breach in 2010 - four years later - that compromised personal details of 650,000 customers.

In many ways, the world we live in means hacks and cyber attacks are inevitable. Companies are acquiring



huge volumes of valuable data that would-be perpetrators are finding increasingly ingenious ways to acquire. Throw in the speed of technological change, managing legacy systems and the need to be compliant, and it is a perfect storm.

## BETWEEN A ROCK AND A HARD PLACE

The reality is that today, rightly or wrongly, the law doesn't require any disclosure. Yet, come 25 May 2018, that will

change completely with the advent of the General Data Protection Regulation (GDPR) - the new EU-wide data protection legislation, which comes with potential fines of up to €20,000,000 or 4% of annual worldwide turnover (whichever is the greater). European or not, any company that has a presence in a European market will have to comply and notify customers and the associated authority about a data breach.

When a breach occurs, businesses will have a maximum of 72 hours to identify which customers they must inform about the data loss. In the context of the competitiveness of the market, this means gaming companies are walking a tightrope. If they tell too many people, and overestimate the impact to be sure they are covered under GDPR, they risk massive reputational damage, customer loss and potentially irreparable negative brand perception. If they tell too few, they could be fined a lot of money and their reputation will still take a hit.

To contextualise, Talk Talk did a full notification of the fact it had been hacked - 24 hours after it found out. But in its haste to be transparent it lacked any of the necessary detail on the data that had been lost - how much data did the hackers get away with? What customers? How it had happened? As it transpired, not much data was stolen and the hacker turned out to be a young boy in Ireland. Still, Talk Talk lost a third of its market value and around 125,000 customers, which it is still trying to win back almost two years later.

## KNOWLEDGE IS POWER

Gaming companies must be meticulously security conscious with what is arguably their most valuable asset. This means having an all-seeing eye on who is coming into the business, what they are doing, and why. You wouldn't catch a bank without active cameras in its vault, and this scenario is no different.

With GDPR on the horizon, it is more important than ever for companies to monitor and record everything that goes in and out of the network - the network equivalent of CCTV. It will help inform and understand what has happened in the event of a data breach occurring, and without it, gambling firms are blind to their vulnerabilities.

From the moment a breach occurs, the business should ideally be in a position where it has a recording of everything relating to the attack. From the reconnaissance and any suspicious behaviour beforehand, to where the breach came from and what was taken. Having this information means being able to act quickly and fix the problem because until that happens, the company is still at great risk. Perhaps more importantly, it will identify the chink in the security armour which can be fixed to prevent a similar breach from happening again.

Having complete visibility of a network isn't mandatory. But in an age when businesses are staking the company reputation, customer loyalty and shareholder returns, it isn't something businesses should be taking a gamble on.

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# BETTER TOGETHER: BUILDING A BRAND WITH BETTER COLLECTIVE

*Jesper Søgaard, CEO of Better Collective* discusses the journey to creating an affiliate brand and its M&A strategy, and shares his thoughts on the wider affiliate sector



## **What is the most challenging aspect of being a CEO in the affiliate sector?**

The most challenging aspect is that the affiliate sector plays a role in a continuously changing industry. This means we have to be very pro-active and reactive depending on the ever-changing landscape. Additionally, this sector is also moving from an industry that has previously been fairly amateur, towards becoming more professionalised. Navigating this transition to assure that Better Collective stays on top has always been a fun and strategic challenge.

## **Drawing on your own experience of founding an affiliate business, what advice would you offer anyone starting out in the industry?**

My advice to new affiliate businesses has always been to find and own your niche, and then master it. As the industry is growing, smaller affiliates cannot compete with big players just by broadening their appeal. They need to find a small area where they can become successful, and then develop through from there.

## **What do you see is the greatest challenge for the affiliate sector over the next five years?**

Compliance remains the hot topic at the moment. Affiliates need to take compliance seriously, and if they do not, they will fail.

## **What is the most essential part of the Better Collective corporate culture?**

We've been able to scale up the entrepreneurial spirit that founded BC. Although we are much more professional now in our organisation, we still give our co-workers strong ownership of their tasks, allowing them the freedom to create new and innovative solutions. We're also a Danish company that adheres to Scandinavian work culture.

This alone sets the atmosphere in our offices, allowing for a work-life balance that not only enhances productivity and employee welfare, but also helps us recruit international talent looking to adopt the Scandinavian lifestyle.

## **What safeguards does Better Collective use to prevent unethical or misleading gambling advertising for its partners?**

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We are always in a close dialogue with our operator partners to assure that we are meeting their expectations. We also make sure that we are well informed within the industry, so that there are no unforeseen surprises. Internally, we also have a strict Code of Conduct that assures that our employees are aware of the standards we must uphold within our industry.

**You've spoken at Betting on Sports about the so called super affiliates, do you believe that the future affiliate market will be made up of only a few providers controlling vast networks of affiliates, or will the industry head in another direction?**

We obviously can't predict the future, but the trend is showing that a few larger affiliates will rise to the top, hopefully not to the point where it becomes an oligarchical industry. I hope that there will always be room for smaller niche affiliates to rise within the industry.

**How central is social responsibility to the core culture of Better Collective and how do you encourage this?**

Social responsibility is in the DNA of Better Collective. We strongly perceive and communicate that gambling should always serve as a form of entertainment, and never as means of income. However, we would be fools to ignore that some players can take gambling to an unhealthy level.

Therefore we make sure that all of our platforms promote responsible gambling, as well as our most popular platforms (such as bettingexpert.com) hosting extensive content on how to recognise the symptoms of gambling addiction and how to prevent them, or what to do if they occur.

**What affiliate payment methods do you offer, and do you encourage one payment model over another?**

We use a variety of payment models, but we will always prefer revenue share. This is because it allows us to receive payment only when we create value for our operators. This in turn motivates us to keep creating stronger products that provide value for our users, as well being mutually beneficial for our operator partners.

2017 has seen a number of high profile corporate acquisitions by Better Collective over a variety of different markets across Europe, what criteria do you use to assess any potential affiliate market before entering into it?

**I HOPE THAT THERE WILL ALWAYS BE ROOM FOR SMALLER NICHE AFFILIATES TO RISE WITHIN THE INDUSTRY**

We are fortunate that we are in a strong position where we can be very selective with our acquisitions. We only enter dialogue with companies that share our strong values of transparency and trust - these are the most important criteria we adhere to. Additionally, we look to regulated, or soon to be regulated, markets where a partnership can create newer or stronger value. We have a very deep and strict due diligence process that every company with which we enter M&A discussions must undergo. Top of mind in this process are any potential compliance issue. If we find any compliance issues, we either end the discussion, or continue only if we are sure that we can fix the issues before a final signature is reached.

**What do each of the acquisitions made in 2017 add to the Better Collective brand?**

The screenshot shows the WETTPORTAL.COM website interface. At the top, there's a navigation bar with 'WETT PORTAL.COM' and 'Nr.1 FÜR FUSSBALL'. Below that, there are various menu items like 'Homepage', 'Sportwetten Tipps', 'Sorebets', etc. The main content area features a 'Willkommen bei WETTPortal.com - Sportwetten online' message and a 'Tipp Champions League APOEL Nikosia - Borussia Dortmund' section. There's also a 'Sportwetten Aktuell' section with a table of odds for various leagues.

**WETTPORTAL IS JUST ONE OF BETTER COLLECTIVE'S IMPORTANT ACQUISITIONS THIS YEAR**

Each of our acquisitions bring with them a new level of talent in certain areas. Thanks to our M&A activity, we have accumulated strong knowledge in areas, such as in depth educational content, and strong know-how within SEO. Plus, our acquisitions have also included market leaders in different language markets, so we are constantly expanding our reach, and sharing and applying knowledge we all bring to the table from the areas and regions we have mastered.

**In a Europe of hardening regulatory restriction frameworks, how can Better Collective respond to the changing landscape and what lessons can the industry as a whole learn?**

What we can really learn from is the way in which a market regulates can help or harm the industry. If we look at some key cases already, such as Denmark and France, we can see that there are good and bad ways for markets to approach regulation.

As this continues to occur across Europe, we hope that markets looking to adjust their regulations consider the other markets that have already gone through the process, and learn from them.

**Do you think the closure of SkyBet's affiliate program should be of concern to the wider affiliate market?**

No. It is clear that the decision was driven by other issues that lie outside of compliance. Other operators have publicly stated their commitment to their affiliate programs. These operators are choosing to lay weight on enforcing compliance - which can only lead to a safer and stronger affiliate industry.

**How do you insulate yourself against bad practices from your affiliate partners and or the operators you represent?**

To us, partnership with an operator means just that - a partnership. As I mentioned earlier, we have a very close relationship with our partners and have a consistent dialogue with them. It is from this close working relationship that we are able to make sure that our own standards are being met.

**In your opinion would the affiliate industry benefit from being fully regulated, be it by an EU body or a local regulatory body?**

No I don't believe there would be any benefit from a fully regulated affiliated industry. I strongly believe that affiliates should not ever compromise on regulations in any way - however, a fully regulated industry would be detrimental for the entire industry landscape.

The main reason as to why it can cause negative consequences for the industry is the licence fees that occur in such a scenario. Although bigger affiliates, like us at Better Collective, would be able to pay the fees and continue to operate, these fees could break smaller manned operations. This would encourage the industry to change into an oligarchy, which limits the options for users and operators alike.

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# BIG QUESTION

**The EU's new General Data Protection Regulations have lit a fire under many operators in the affiliate sector. With less than nine months until the rules take effect, how is the industry preparing?**

With so many businesses and services operating across borders, international consistency around data protection laws and rights is crucial both to businesses/organisations and to individuals. The increasing amount of data being collected by companies online has moved so far forward that it has left existing data protection legislation behind.

Responding to the need to update this legislation, the European Union have instituted a new set of rules, known as the General Data Protection Regulation principles (GDPR), which are set to take effect from May 2018.

Under the new EU-wide data protection legislation, businesses

are facing potential fines of up to €20,000,000 or 4% of annual worldwide turnover (whichever is the greater) and most notably in the affiliate sector, for the first time affiliate operators will be held liable for the illegal actions of their affiliate partners.

This new found liability has left many in the affiliate sector running for cover and has indirectly led to the closure of the Sky Bet affiliate program, one of the industry's more successful affiliate programs, amidst rumours of possible compliance issues with the intended new regime. With just eight months remaining until these new regulations take effect, how will the introduction of GDPR affect some of the affiliate industry's leading lights?



**Gavin Moore**  
Head of Brand  
and Traffic,  
Better Collective

From a marketing perspective, GDPR basically means that we need to be better at overtly asking permission from users, and adhere to the principle that "no means no". If you don't

have double opt-in contacts who have recently been active-do not send anything after May 2018, as it will become a liability.

At Better Collective, to cater better to these new guidelines, we will look at adjusting our customer lifecycles and aim to speed up the "win back" and "reactivation" processes we have.

When GDPR kicks in, our consent requests must be separate from the generic terms and conditions page. If a user signs up for one of our services, but does not wish to receive any marketing emails that are not directly to do with that service, it will be 100% their prerogative regarding what information they want from us.

One thing we are preparing already to address that is to give granular options to consent separately for different types of communications wherever appropriate. Essentially, we are giving the user a "my subscription page" that they can manage freely.

Additionally, the GDPR's "The Right To Be Forgotten" means that we also have to be ready to make it just as easy for users to withdraw as it was for them to give consent (e.g. giving instant consent for cookies!). This means we'll work on having more simple and effective withdrawal mechanisms in place that are not found by default today.

We are also currently running the rule over our current (and any new potential) martech partners who may hold some data on our behalf. This is done to ensure that they are also making all necessary steps to become GDPR compliant.



**Frederico Simoni**  
Director, Casino  
Bonus Club

Time left until GDPR is applied – approx. 233 days at the moment we write this article (May 25<sup>th</sup> 2018). Do we feel the suspense? Do we need to adjust our work accordingly? We actually don't really need to.

Our activities and our overall affiliate channels don't really interfere with any type of such regulation, and never did. Our traffic relies solely on organic SEO, all our websites bring players from search engines, solid

referrals and social media, we don't engage in activities such as selling/buying databases nor do we exchange players lists.

We've always aimed to respect our users, so we're only sending newsletters to members subscribing via our website. Do we applaud the initiative and welcome the process? Most definitely, we agree there was a universal need of better regulation in terms of data protection.

Considering how much information we provide online or how much it's being retrieved, often without our consent or knowledge, we need to feel protected and we believe the new changes and data subject rights will bring back the right to privacy and will help the user feel less discovered in front of unknown media agencies.

We need it as human beings, as well as affiliates or casino/bingo players. It's simply a matter of human rights and it's about time we cared more about online data protection. Ultimately this will be beneficial to both the reputation of the industry and its long-term future.

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# MAINTAINING THE CONNECTION

*Gambling Insider* chatted to **Ryan Henderson**, Head of Affiliates at Kindred Group about the challenges of being an affiliate manager and the opportunities that exist in the affiliate market



that I'm very excited about the opportunities I know are coming as a result of this acquisition for both the Group and our affiliates.

## **Kindred won Digital Acquisition Program of the Year at the Global Gaming Awards in 2016, how have you built upon your service to give you another chance of winning this year?**

Firstly, I'm delighted that Kindred Affiliates has made the shortlist again this year and been offered the chance to defend our title! Since winning this award in 2016 we have launched a new website in 10 languages, grown the team to over 20 dedicated Affiliate Managers, launched an innovative Affiliate News subscription service (think Google News Alerts) and our award-winning EURO 10x10 promotion netted the Group a 69% increase in new player acquisition.

## **How has the hardening European regulatory structure changed the way Kindred does business?**

For the better. Kindred Group has always been at the forefront of regulatory issues and we have been fortunate enough to be included in many high-level discussions with governments and regulators, the Netherlands being perhaps the most high-profile.

We see regulation as a positive, for both ourselves and our players. From an affiliate perspective, we will be introducing a 'Know Your Affiliate' process in the very near future and producing documentation to help affiliates navigate relevant advertising rules and regulations.

## **Is the closure of the Skybet affiliate programme a precursor to more affiliate network closures, especially given the general trend towards increased restriction in the international online market?**

I think that's unlikely. SkyBet have access to unique inventory that other operators have to pay for. This puts them in a different position to the rest of us.

I think some perspective is important - the vast majority of affiliates operate in a fair and ethical way. Kindred Group sees affiliates as an important part of our player acquisition and retention activities in all our markets, supporting and boosting our other acquisition channels and sponsorship. But only where such activities comply with the local market rules and regulations and adhere to guidelines around content and context. Our industry has always had to adapt to regulatory changes and recent events are a continuation of that. Affiliates provide a service that operators are, currently, willing to pay for. Until that situation changes they will continue to not only exist, but thrive given the right conditions.

## **What do you think are the biggest challenges facing the affiliate industry as a whole over the next 12 months?**

Undoubtedly it's regulation. We've already seen Romania force affiliates to obtain a licence to operate there. While I don't think this is workable in other markets due to the sheer scale of the challenge, I'm sure the model is being looked at by regulators across Europe.

We'll also get a better idea of what the re-regulation in Sweden and the Netherlands will look like within this time frame. Currently there are no specifics around affiliate activity but we've already seen Catena having to stop activity in the Netherlands, will further restrictions be in place post re-regulation?

Affiliate managers are on the front line of the commercial relationship, and with the recent travails that the industry has suffered over the last year, their role has never been more important. It's not enough for affiliate managers to be successful, they must be ever-vigilant to the activities of their affiliate partners, making them an indispensable part of the affiliate industry.

## **In your opinion what is the most important quality in an affiliate manager?**

I get asked this a lot and my answer is always the same – communication. Over the years I've worked through some pretty tricky situations with affiliates and regular communication, even if the message isn't something they want to hear, always helps.

## **What is the most challenging aspect of the affiliate relationship?**

At the end of the day the operator – affiliate relationship is relatively straightforward: bring me traffic I can't find elsewhere for a fair price and I'll reward you accordingly. Challenges mainly come about when situations occur that negatively impact this relationship, either internally or externally. Again, communication is the key tool for navigating these challenges.

## **Does eSports gambling offer a new market the affiliate industry can expand into?**

Yes, but not via traditional methods. I actually had a chat to an affiliate about this at the recent Betting on Football Conference, he highlighted that this market more than any other requires real innovation, eSports bettors aren't interested in 1x2 markets and so it's up to affiliates and operators to address this.

## **What does the acquisition of 32Red add to the Kindred Affiliates business model?**

A hugely successful casino operation! We are still assessing how best to integrate the brand and teams into Kindred Group and the affiliate programme so there's not much I can tell you other than the fact



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# LONDON AFFILIATE CONFERENCE

For many affiliates, the LAC show is one of the most anticipated conferences of the year. The 2018 edition looks to be better than ever, and will be a must-attend event



**When:** 7-10 February 2018

**Where:** ExCeL, London

Affiliates from around the globe will be flocking to London in February 2018 for the London Affiliate Conference (LAC). Following the substantial attendance at last year's event, the organisers are looking to once again build on their success. 2018 will see the return of the iGB Affiliate Awards and the Financial Partners Expo (FPE), which holds the title of being the largest dedicated affiliate event of its kind.

Shona O'Donnell, Event Director said: "We are delighted that in 2018 LAC will be returning to ExCeL London. Being co-located with ICE which takes place in the earlier part of the week makes it easier for the entire industry to come together and do business in one place. This year will see further growth of the exhibition floor and continued investment in our conference schedule. A key highlight of LAC is the iGB Affiliate Awards nominations, open on the 5 October".

With the event being held in the ExCeL centre there should be no concerns over limited space or accessibility. The venue stands as the largest convention centre in the UK playing host to the London 2012 Olympics and the city's Comic-Con to name but a few of the major events held there. The ExCeL centre is the perfect stage for the LAC and all its participants.

One of the major draws to the event is the Strategic Conference Programme. Through a two-day conference, also held in London, the organisers aim to provide informative panels and presentations from numerous affiliates and expert speakers.

The LAC also offers impressive networking opportunities

for all of those in attendance. Boasting a relaxed atmosphere, the whole event is designed to provide the 5,000 attendants with plenty of opportunities to mingle with affiliates, managers, operators and speakers. This truly is the perfect opportunity to expand contacts and create new relationships with the industry's leading companies.

As with all major conferences educational sessions will be available throughout the event. The speakers range from business founders, CEOs and owners to lawyers and designers. No matter what area you are looking to improve on with regards to your affiliate business, the conference will provide you with ample opportunities to learn and grow your business.

The 2017 conference provided plenty of great moments thanks to the hard work of all those participating. Numerous booths brought spokespeople and brand champions with them, such as Evander Holyfield, John Barnes, AP Peterson and Jimmy Bullard. With LAC being an ever-growing event you can expect to bump into a few more of your idols at the 2018 London Affiliate Conference.

London is one of the world's most famous cities, thanks to its blend of traditional and modern architecture as well as a rich history. Guests will be glad to know the city is also a transport hub offering several different airports, all of which have bus and/or train links to the city centre.

Accommodation should also be easy to come by, but I'm sure plenty of visitors will be looking to spend as little time as possible in their hotel rooms, as both the conference and London have so much to offer. Be sure to grab a pint in one of London's many historic pubs and get ready for the after-conference parties.

JOIN US IN LONDON FOR THE BIGGEST EVENT IN THE IGAMING AFFILIATE MARKET



# LONDON AFFILIATE CONFERENCE

7-10 FEBRUARY 2018, EXCEL LONDON



More details including sponsorship packages, conference  
schedule, official hotels, all the parties and much more can be found on

[www.LondonAffiliateConference.com](http://www.LondonAffiliateConference.com)

# BIG DATA, LESS COMPLICATIONS

In the last few years, the affiliate sector has been seen many new trends, with multi-channel attribution, cross-device tracking and others coming to the forefront of the affiliate marketer's arsenal. But with this increase of information, how do you ensure that this data is not wasted?

Essentially, all tracking and reporting systems are serving the same purpose, to reliably track, securely hold and accurately display data.

But as a business such as performance marketing matures over time, the systems used need to do the same. From the days of banner farms and small operations, often ignored or maligned as a legitimate revenue generator, affiliate (or performance) marketing is an integral part of any company's marketing strategy with some affiliate networks surpassing the size and turnover of the businesses that they originally started promoting.

When a market such as iGaming evolves, those who provide the tools to maximise their customers' potential needs to do the same. Any affiliate software provider must keep up with what is happening around them to facilitate a top-line service. Flexibility is a fundamental of new technology that removes the restraints and limitations that were a part of fledgling services.

Advancements in technologies such as HTML5, agile environments and more have allowed developers to break the shackles of rigidity and they give us the ability to make strides in not only the types of data being recorded and shared, but how it is displayed to the end user.

***Quite simply, 'big data' needs to be made easy.***

The danger with increasing levels of complexity in conducting business is that it lessens your ability to stay agile when assessing that data. Our performance tracking software was created to keep things simple, as the industry is an 'immediate' one, where getting lost in reporting or waiting to know what happened during a big campaign just won't do.

To give you an example of what we do for one of the brands we host on our Omarsys platform, we track around eight million daily actions and update that data every few minutes, using a robust data import module which collects data from FTP, Amazon S3 or directly via API. The reason for this, is so the client knows exactly

how their media spend is performing and, if necessary, can change their approach immediately.

This also allows their affiliates (who have themselves made investments to promote the operator) to know exactly how they are performing at any time and make refinements to maximise their efforts promoting the brand. As the medium grows, speed, transparency and the need for information grows with it, for both the operator and their affiliate partner - it's a two-way street.

The old adage of 'time is money' has never changed and is more relevant than ever, and we as service providers need to be mindful of this in whatever we do. Unintuitive data representation, complicated reporting and poor service is in no way acceptable in today's market. Quality, simplicity and reliability is paramount, not only for a successful campaign strategy, but also any third-party partnership.

This is a stance that should be taken by both a brand and their affiliates, who are incredibly important to the success of any online venture. If an affiliate cannot rely on the data or service provided by an affiliate program, then why should they make the effort to promote that brand over one they can trust?

Like it or not, companies must rely on systems provided by teams outside of their four walls and must be sure that they are getting a service that has the same drive and passion as their own. As mentioned before, it should be a partnership, not a deal that once signed is added to a pile and forgotten about, which is too often the case.

A constant flow of ideas, initiatives and honesty is at the crux of any working relationship and the affiliate industry is one that prides itself on being able to have its voice heard. As the industry progresses, this has never changed and it is a fundamental that has managed to improve, clean and progress the iGaming industry which shows no signs of slowing.

***How do you stand out in a crowded market place?***

***By doing the simple things right.***

Bells and whistles are all well and good, but when an industry forgets that their customers are their lifeblood, something is very wrong indeed. Once that has been established, we can look to move forward with innovation, new technologies and bringing something to the customer that enhances their experience with the data on hand.



**THOMAS RHYSS-JONES**  
Commercial Director at XCaliber

# bet365 affiliates



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