

trafficology

AFFILIATE FOCUS BY GAMBLING INSIDER

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WHAT LIES BENEATH

As global regulation of online gaming increases, how liable are you for the behaviour of your partner brands?

CATENA MEDIA GROUP REVENUE UP 78% AMIDST DUTCH GAMING AUTHORITY TROUBLES



Sweden-based affiliate provider, Catena Media has revealed that its year-on-year group revenue for the first half of 2017 has increased by 78%, when compared to the same period in 2016.

In its first half yearly update for 2017, the company revealed H1 group revenues of €30m, almost doubling the corresponding H1 2016 group revenue figure of €17m.

Company operating profits also grew in the first half of 2017, rising 45% from its H1 2016 total of €8.25m to gross operating profits of €12m in the corresponding period of 2017.

Catena Media earnings before interest tax depreciation and amortisation (EBITDA) also experienced a similar increase, rising 55% from a H1 2016 figure of €8.66m, to an H1 2017 figure of €13.49m.

The number of new depositing customers increased year-on-year by a record 115%, rising from 79,851 in H1 2016 to over 171,643 new depositing customers in the first half of 2017.

In a statement released with the financial results, Catena Media CEO Robert Andersson said: "With strong underlying developments and the sports season starting full throttle mid-August, the table is set for a very exciting second half of the year.

"We remain optimistic on our strategic, operational and financial development, and are confident that we will continue to grow in the same successful way, both through organic growth and through acquisitions across existing and new geographic markets."

The company's impressive financial figures come following the issuing of a cease and desist order by the Dutch

Gaming Authority after it found that Catena had breached Dutch regulations in its company advertising of online gaming brands.

The Kansspelautoriteit has ordered the Malta-based firm to stop all of its current promotional activities and to refrain from any promotional work in the future. Regulators have stated that Catena Media will be liable for a fine of up to €21,000 if it fails to comply with this order.

According to the order, Catena Media targeted Dutch players in promoting a number of different online gaming operators on affiliate websites including pellenoverzicht.com, gokoverzicht.com, and netentcasino.nl. All three sites are now blocked to players in the Netherlands following the publication of the order.

Under the new Dutch online gambling rules introduced in May, online gaming operators and their affiliates are not allowed to target local players by using typically Dutch symbols, such as tulips and windmills.

In addition, .nl affiliate websites are prohibited from directing Dutch players to .com online gaming websites. Operators that have failed to block traffic from the country are also considered to be violating its gambling regulations and could face fines from the Kansspelautoriteit.

Responding to the speculation surrounding this order, Andersson added: "Catena Media adheres to strict compliance standards regarding the operators to whom it supplies traffic through its affiliate network and operates in compliance with applicable laws.

"Recently, the Dutch Gaming Authority, KSA, decided to take a stricter approach to iGaming sites that target Dutch players, and as a result Catena Media decided to temporarily withdraw from the Dutch market to fully comply with applicable law. Short-term this will impact revenues negatively by approximately €100,000-150,000 per month, but longer-term it puts us in a favourable position, if and when, the Dutch market re-regulates."

LOTTOLAND REVEALS AFFILIATE PROGRAM WITH INCOME ACCESS

Gibraltar-based online lottery betting provider Lottoland has announced the relaunch of its affiliate programme in partnership with Income Access.

The new and improved version of the Lottoland affiliate programme has now migrated to the Income Access affiliate platform. Under the new Lottoland affiliate program, affiliates can receive a revenue share commission structure of between 25% and 35%, depending upon net revenue.

Founded in 2013 and licensed by the UK Gambling Commission and Gibraltar Betting & Gaming Association, Lottoland allows players to bet on the outcome of some of the world's largest lottery draws.

In a statement announcing the relaunch of the program James Dominique, Senior Affiliate Manager at Lottoland said: "We have chosen to relaunch our affiliate program on the Income Access platform, given the company's strong reputation in the affiliate marketing space.

"We are impressed by the Income Access technology and the data our affiliate managers will now have at their fingertips, allowing our team to be more strategic when running the affiliate program and improving our overall marketing ROI."

Lorenzo Pellegrino, CEO of Income Access and Digital Wallets at Paysafe, added: "Lottoland is one of the most important global brands in the growing iLottery betting vertical, so we're excited that the brand has chosen to relaunch its affiliate program on our software. Given the brand's focus on a range of multilingual international markets, our platform's sophisticated ad targeting will ensure Lottoland's global growth continues in 2017 and into 2018."

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RAKETECH EXPOSED AS USING CHILDREN'S WEB DOMAIN TO ATTRACT PLAYERS

Swedish online affiliate company RakeTech have come under fire today after reports emerged in the Swedish press linking the company to a website featuring child-orientated content which refers viewers to online casinos.

RakeTech reportedly used a domain name similar to that of children's rights organisation BARNverket, which aims to promote education and social interaction between children across Sweden. Barnverket's real site is Barnverket.se, however the fraudulent one is only subtly different with a domain

name of Barnverket.nu, which is owned by RakeTech.

This site contains similar articles and images which all refer to children, however half way down the page there is an article which begins: "From one important question to another" with a subsequent paragraph about casinos and links to a couple of "responsible" operators including casino-2018.se and freespins-2018.se, both of which are aimed at gamblers over the age of eighteen.

In an email to Breakit, RakeTech CEO and Co-Founder, Michael Holmberg stated that

the site will be shut down at the end of this week as it is not consistent with the RakeTech business model. Holmberg confirmed that he has also been in contact with the real BARNverket and has offered them the chance to take over the domain name.

In its defence, RakeTech have claimed that the site and domain were included as part of one of a number of casino sites which they have acquired during the course of their business model and that they were unaware of any potential wrongdoing.

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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 sports sites and web portals in regards to traffic rank.

SPORTS SITES

	Name	Website
1	bet365 Sportsbook & Racebook	bet365.com
2	Betfair Sportsbook & Racebook	betfair.com/sport
3	Bet9ja	web.bet9ja.com
4	SportPesa	sportpesa.uk
5	Tipico Online Gaming	tipico.com
6	Sky Bet	skybet.com
7	William Hill Sportsbook & Racebook	sports.williamhill.com
8	Stoiximan	stoiximan.gr
9	Lecai	lecai.com
10	Paddy Power Sportsbook	paddypower.com
11	Hong Kong Jockey Club	hkjc.com
12	Bet365 Spain Sportsbook & Racebook	bet365.es
13	MerryBet	merrybet.com
14	Okooo	okooo.com
15	PMU	pmu.fr
16	Sportsbet	sportsbet.com.au
17	Tipsport	tipsport.cz
18	bwin Sportsbook & Racebook	sports.bwin.com
19	Bet365 Italy	bet365.it
20	500	500.com

SPORTS WEB PORTALS

	Name
1	Goal.com
2	LiveScore.com
3	FlashScore.com
4	SoccerVista.com
5	Diretta.it
6	Soccer24.com
7	MyScore.ru
8	MisMarcadores.com
9	Sport24.gr
10	SportPesa.org
11	Oddschecker.com
12	Rezultati.com
13	RacingPost.com
14	Spox.com
15	FlashScore.ro
16	FlashScores.co.uk
17	OddsPortal.com
18	Football365.com
19	Covers.com
20	SoccerStand.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 website operated by Casino City Press.



BEWARE WHAT LIES BENEATH

In a world where the regulation of affiliates is increasing rapidly, the unlikely advantage might be placed in the hands of those who you would least expect. **Tal Itzhak Ron** and **Stephanie Attias**, both from Tal Ron, Drihem & Co. Law Firm, discuss the rise of liabilities affecting both affiliates and platforms in the gaming and financial entertainment industries and provide advice on staying clear of dishonest merchants



The close relationship between operators and affiliates stands as one of the industry's essential pillars, which must be preserved in order to avoid failure. An affiliate is considered to be an important contributor to every online gaming operators' success, however, in the past few years we have seen additional obstacles created, such as heavy regulation and a fragmented online gambling sector for affiliates, operators and suppliers.

Can an affiliate be liable?

Affiliates in the online gambling industry promote and direct players to the operators' websites in return for a percentage or commission for their services. The issue is whether an affiliate can be held liable if a dishonest merchant gets sued by a customer who was directed to the merchant from an affiliate website? The answer is completely affirmative. The Federal Trade Commission (FTC) has made its position extremely clear: Affiliates and marketers are responsible for the brands' actions. Indeed, even though an affiliate is not responsible for the creation of a service or product, any such affiliate can still be held liable.

In a suit filed a few years ago by the American Federal Trade Commission and the state of Connecticut, an affiliate marketing company was held liable for its use of websites which displayed deceptive marketing content related to weight loss products. This liability was determined even though the affiliate wasn't directly responsible for the creation of the content. The test the court used, was asking whether substantial damage was caused to consumers.

This raises a fundamental online marketing legal question: How are you supposed to monitor every single one of your partners?

Reducing affiliate liability: The importance of Due-Diligence and Disclaimers

It is absolutely vital for both affiliates and merchants to conduct severe due-diligence when choosing marketing partners. Everything should be analysed meticulously, from a potential partner's promotional methods, to making sure that the merchant's product or service will be promoted by ethical and legal methods. This will help affiliates to avoid promoting poor products or dishonest merchants.

It is also extremely important for affiliates to limit their liability and exposure by adding a simple and clear Affiliate Disclaimer placed on the affiliate website. This could be all it takes to provide adequate protection. Such disclaimers should include a Compensation Disclosure and Limitation of Liability, to keep affiliates out of trouble with regulators and unhappy customers. Unfortunately, very few affiliates take advantage of this opportunity to protect themselves against potential liability claims and find themselves being sued by customers

Online gaming continues to grow at an explosive rate, free of any territorial borders. Nevertheless, the trend is towards regulating affiliates and many jurisdictions are trying to keep unlicensed operators out of their market by restricting their gaming offering. Gaming regulators are using every imaginable measure to enforce local gaming regulation. They are blacklisting operators, penalising players, and blocking ISPs, payments and affiliates; even gaming platform providers have been asked to monitor traffic on their platforms and block unlicensed gaming operators. Moreover, there have been talks that gaming suppliers could be held liable for offenses committed by unlicensed gaming operators using the suppliers' platform.

due to tactics used by dishonest merchants. Affiliates should test their links and campaigns regularly and notify consumers about privacy policies.

Why regulate affiliates?

It may seem absurd to regulate affiliates especially given that they don't handle wagers, don't process payments and do not hold player deposits. All they do is market online, which could be seen as the same role held by TV commercials or roadside billboards. However, more and more countries in Europe are introducing licensing regimes for online gaming and are subjecting licensed operators and their service providers to the same strict conditions.

In the eyes of the regulators, affiliates are incentivised to act in a manner that could kill the positive consumer perception of the industry, without having much liability in doing so until now.

What bothers legislators and regulatory authorities the most, is the damage deceptive marketing causes to consumers. Deceptive marketing is legally considered, in many countries, a malpractice which is banned by law and by different consumer protection regulations. Therefore, beyond the handling of wagers, the segregation of player funds, the processing of deposits and withdrawals, affiliates have the ability to ruin the industry's reputation in the eyes of the consumer, and even hold hostage the businesses of online casino operators. Because of this situation, amongst other reasons, several jurisdictions have made the wise decision to regulate affiliates in a similar fashion as other gaming providers.

Regulatory challenges in a fragmented online gaming world

The main challenges affecting the gaming industry nowadays are regulatory challenges which have fragmented the online gaming world. The difficulty is that all stakeholders need to respond by complying with multiple licensing regimes and the local series of requirements adopted in each jurisdiction.

The argument for regulation is due to the influence of affiliates on the success or failure of operators, their ability to potentially damage the industry's integrity and reputation in the



In Italy, AAMS forced platform providers to block illegal operations there, consequently affecting a lot of the operators in Malta who were facing the Italian market.

In the UK, B2C businesses will need to explain why their provision of gambling is "not illegal" in jurisdictions where they get 3% or more of their total revenue. For smaller operators generating less than £5m in total revenue, they only need to provide legal assurances for the markets where they derive 10% or more. The same goes for B2B suppliers, whereby similar rules are set in place.

Spain is monitoring traffic in the online space and is actively enforcing the regulated market. The Spanish Authority DDOJ is forcing platform providers to monitor whether unlicensed operators are using their platforms to take bets in Spain. Spain claimed back taxes from licensed operators.

Moreover, Romania is using all means available to stop black market operators by enforcing stricter controls on the market, in order to take account of all partners operating there. This is done by requesting software suppliers to become licensed in order to avoid "fraud". It is still unclear to what extent Romania will require software suppliers to shut down black market operations. A year ago, it was even discussed whether Romania is going to require licensed operators to pay back taxes but it was unclear to what extent suppliers were liable for paying these.

Sweden also declared that it intends to license suppliers while the Czech Republic is currently still not imposing such measures on the suppliers.

To conclude, regulation of affiliates and platforms are increasing at the speed of light. Even though this might enforce stricter compliance and restraining methods, it gives an advantage to affiliates in the sense that they are now able to understand regulated markets and the local demands imposed by national gambling licenses. With this understanding, affiliates have a better leverage to choose suitable operators to partner with and spend more time developing their own gaming websites, without spending too much time worrying about dishonest methods used by merchants.

In a regulatory changing world such as we're experiencing today, it is crucial for affiliates and operators to keep up to date daily with changes in the global gaming environment and get ongoing professional legal advice relating to any regulatory requirements.

THE CLOSE RELATIONSHIP BETWEEN OPERATORS AND AFFILIATES STANDS AS ONE OF THE INDUSTRY'S ESSENTIAL PILLARS WHICH MUST BE PRESERVED IN ORDER TO AVOID FAILURE

eyes of the consumer, and the ability to potentially harbour criminal elements, since they are not vetted by a regulator. These are some of the reasons for the licensing and regulatory approaches taken by multiple jurisdictions around the world.

Nevada was the first US jurisdiction to require the licensing of affiliates. In New Jersey, affiliates for online operators must be licensed with the Division of Gaming Enforcement. A simple vendor license is required for a flat-rate business model and a more expensive Ancillary Casino Services Industry Enterprise license is required for a revenue sharing model.

Furthermore, some jurisdictions such as Italy, UK, Spain and Romania have already placed liability for black market operations on software platform providers.

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A ROARING SUCCESS

Petra Blixt, Head of Sales at LeoVegas sits down with *Trafficology* to share her insights in to what has made LeoVegas one of the fastest growing online casino brands in the world, and the role that their affiliate partners have played in this achievement



What was your background before you got into the affiliate world? What experience did this give you that has helped in this industry?

I've been a leader in sales organisations for 15 years, and I started working in this field as soon as I finished university. For the past five years I've worked at a Pay-TV Company called C More, part of the largest media house in Sweden, Bonnier Broadcasting, most recently in the role of Head of Commercial. I am certain that most of us who start in this industry without having any experience in iGaming, are contributing a lot just by asking new questions and challenging old truths. As for myself I hope that my experience

in building teams in both less advanced B2C and much more advanced B2B contexts can be helpful in setting the structure and ambition level that is necessary in an ever-changing business.

LeoVegas has seen such sustained growth in 2017, what would you say has been the main contributing factor to this?

Having the right people has definitely contributed to our growth and success. I am extremely impressed by the ones that stand behind the results that LeoVegas shows over and over again. Of course, being at the right place with the right

offer on the right device (mobile of course) is a part of the explanation, but most of all it's the drive that makes those things happen. I'm amazed to see how LeoVegas is growing so much, not only in terms of customers and revenue, but also in number of employees, and without losing any of the start-up culture. Human Resources at LeoVegas are the best HR-team I've worked with so far.

What qualities do you look for in an affiliate partner, and has this changed in 2017?

At LeoVegas we are looking for business oriented affiliates who are experienced enough to take on the responsibility it takes to be a representative of our brand. We want affiliates to see themselves as the important partner to LeoVegas that they are. What we require of an affiliate partner in 2017 hasn't changed and remains a basis of all good commercial partnerships: trust, transparency and a will to seek the perfect business deal that is profitable for both parties.

Do you think your affiliates are making the best use of mobile, and if not do you support them to improve given your reputation as a mobile-driven casino brand?

We try to make the best use of mobile, but I think the whole industry could improve. In streaming and telecom sales, where I have my background, we rarely talk about desktop anymore - it's all about mobile. The best affiliates always seem to be one step ahead of the market, so the best new way to gain mobile traffic in an efficient way will probably come from there. We help out as much as we can with acquisition assets, including responsive landing pages, mobile inventory, as well as support from our Affiliate Managers.

What support do you provide to your smaller partners just starting out?

Our best-in-class affiliate managers support them with everything they might need, from understanding the different reward plans and campaigns, to finding their way in the media gallery. As an affiliate, you also have access to an administration team—who help with everything regarding the tracking, payments etc. At LeoVegas we also have two specialists to assist in Casino and Sportsbook. Their skills within those areas are impressive and

WHAT WE REQUIRE OF AN AFFILIATE PARTNER IN 2017 HASN'T CHANGED AND REMAINS A BASIS OF ALL GOOD COMMERCIAL PARTNERSHIPS: TRUST, TRANSPARENCY AND A WILL TO SEEK THE PERFECT BUSINESS DEAL THAT IS PROFITABLE FOR BOTH PARTIES

they are happy to give advice on how to market our different products in the absolute best way as an affiliate.

What compensation model is most popular for your new affiliates?

It differs depending on the affiliate. Revenue Share is, from my point of view, the best model in all business relationships while you then share the same KPI's. That makes it much easier to move forward together in the same direction.

But some prefer a CPA or a Hybrid deal, which is totally fine so long as the traffic is of high quality. Together with



our strong BI-team, we always monitor our business on a day-to-day basis to find the perfect match in compensation that both parties benefit from.

How was AAC? Did you have a successful show?

It was great! For me personally, it was good to have an opportunity to meet with our existing partners. And we also met a great number of new valuable contacts.

What's your view on the continued consolidation of affiliate programmes in the industry? Are we seeing a boom and bust cycle in action?

At LeoVegas we strive to have business minded and professional partners with the best knowledge of how to gain traffic of high value. If the consolidation leads to better resources to develop new and improved ways to market our brand we applaud it! Our impression is that the development towards bigger programmes makes our brand even more attractive. Since the management in those networks sometimes have a better understanding of the importance of a long-term partnership, and tend to value things such as high brand awareness, good conversion rate and excellent user experience.

Have you see your affiliates adapt to the use of voice search?

Not yet, but we are really interested in evaluating the possibilities in that area.

Do you see increasing opportunities for the smaller affiliates with ultra-niche sites?

Absolutely, the industry is growing rapidly and the ones who are smart and driven enough to find new ways of driving traffic will succeed, especially in sports where there are so many markets and content opportunities.

Which of the global recently regulated territories offers the greatest promise for affiliates looking to expand their footprint?

Each and every one of the regulated territories offers great opportunities for the affiliates with vast marketing technology and marketing knowledge. What they have learned over the years as affiliates is well adapted into the regulated markets and as long as they are able to provide us with an efficient acquisition cost – we will buy it. For the smaller ones without marketing tech and profound financial backing it could become a bit harder to survive, but SEO strong affiliates will still prosper.

A TALE OF TWO BOOKIES

In light of the relatively recent Ladbrokes Coral merger, **Danny Campbell**, Director at Moneta Communications and Owner of Betting-directory explains what and if anything this giant industry partnership means for affiliates

Could you tell us a little about Betting-directory?

Howlong have you been in the business?

Moneta has been in business since 2004 and independent until 2014, when we were acquired by the Done Group.

A few months ago Ladbrokes and Coral merged into one multi-channel company. What difference has this made to you now that two of your brands are under one roof?

It's not made a huge deal of difference to me so far, but long-term I expect this to make dealing with two separate brands much easier, with having just one point of contact. The potential problems are when one of the two brands converts better than the other and ultimately get different amounts of exposure on our network.

How do you define a successful affiliate partnership?

Affiliate relationships have to be mutually beneficial. I rely on bookmakers for accurate tracking, reporting and ethical business practice toward both clients and affiliates. Bookmakers in turn expect me to provide them traffic from sources they deem acceptable. If both sides provide abide by these simple but key aspects, then it goes a long way to forming successful partnerships.

Many affiliates are weary of Rev Share. What attracted you to Life Time Revenue Scheme? What are its benefits as a whole, and with Ladbrokes and Coral in particular?

I genuinely do not understand why affiliates would be weary of revenue share commission models with reputable and regulated UK bookmakers. The fear of bookmakers making predatory changes to their affiliate terms are lessened considerably when dealing with these, over some of the smaller/new entrants to the market. With Life Time Revenue Share, the benefits outweigh the negatives and have done so for Moneta over the last 13 years.

Rev Share schemes often mean more of a long-term working relationship with the betting companies. How do you make that commitment pay-off and work in your favour?

If you're looking to build a long-term successful relationship with a bookmaker, then revenue share has to form the foundations. Both parties exist to make a profit – revenue share rewards the two parties fairly.

I place for more emphasis on working with bookmakers who are keen to forge long-term relationships, rather than those looking for 'quick hits' around major events only.

What makes a good Affiliate Manager in your opinion and what has your experience been working with AM's in Ladbrokes and Coral?

Not all affiliate managers are the same! Attention to detail, product knowledge and reliability are just a small selection of the characteristics of the better ones. In all the years I've dealt with Ladbrokes and Coral, I'm struggling to remember an instance where there has been a major issue between the two parties.

What are the main benefits of working with big reputable brand like Ladbrokes and Coral in your opinion?

The main benefit for me is trust – reporting, tracking and obviously being paid correctly are enhanced significantly if working with reputable and market leading bookmakers.

Which sports products work best on your website? And what works better for you – default offers or price boosts?

Tough question as the answer varies by sport and event and the channel we then promote the various offers on. Some work better on social than others; others are more suited to fixed positions on our domains.

How does Ladbrokes and Coral conversion rates compare with other companies?

Very well, both are amongst our leading six to seven listed bookmakers.

**NOT ALL AFFILIATE MANAGERS ARE THE SAME!
ATTENTION TO DETAIL, PRODUCT KNOWLEDGE
AND RELIABILITY ARE JUST A SMALL SELECTION
OF THE CHARACTERISTICS OF THE BETTER ONES**

There have been a lot of compliance issues in the industry lately. How do you deal with the new rules and regulations?

Rules and regulations are completely necessary and are not an issue in the slightest.

Do you use the API tool?

Not yet, but we certainly expect to begin rolling in out on selected sites before the end of the year.

Ours is a changing industry full of new opportunities on social media and on mobile. What channels do you push on social media? And how has the mobile industry changed your business?

The increasing percentage of mobile traffic has certainly caused issues. Converting traffic via mobile devices is considerably more difficult. Clients I would argue are far more inclined to use bookmakers where they already have accounts, rather than create new accounts elsewhere to obtain bonuses, signup offer or better odds.

Over the next couple of years, more affiliates are going to be looking at revenue streams for becoming more of a client retention tool rather than just simply acquisition.

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BIG QUESTION

How can affiliate networks protect their reputation from unscrupulous behaviour from their brand partners?



Bryan Bailey
Director, Casinomeister

“Never forget that the players are the only reason why you have a business. Be one yourself. Sign up at the casinos you are promoting. If you enjoy the experience, there is a good chance your players will too. If you think it sucks, well... don’t promote things that suck.”

The first time I gave a presentation to an affiliate conference was at the Vancouver Affiliate Convention in September 2002. The conference attracted about 150 affiliates, a few of whom I am sure are still in the business – and many who by now have bailed out.

I spoke about the ethical approach to marketing and what to watch out for. Going over my notes from then and remembering what I spoke about 15 years ago – really nothing much has changed since those early days of marketing. Sure - technologies have changed, the affiliate landscape is different, the sole proprietor one-man-band websites are virtually nonexistent. What remains the same, however, is the philosophical approach to online casino marketing (not the song). Now I shouldn’t have to preach about the importance of proper licensing like I did 15 years ago, but if you are promoting a casino licensed in a banana republic, you should at least know the owner of the casino personally. You should have a clear understanding of his (or her) scruples – their attitude and approach to this industry, and their philosophy on the treatment of players. Are players sheep, or are they valued clients?

Casinos that are licensed in the EU, North America, or the UK are monitored a bit more closely than those elsewhere – you should know that by now. Casinos licensed elsewhere may be problematic.

Be motivated by the product you are promoting, not solely by the cash involved. The caveat “if it’s too good to be true...” can easily be applied here. Beware of affiliate deals that are - too good to be true. Affiliate deals have to be sustainable for the casino or they won’t survive in this competitive market. There is a give and take here – do not expect too much from an affiliate program. If you are getting more than 40% rev share, you are probably (more than likely) being shaved somehow. Ask any operator. Getting a rev share higher than this will prompt them to claw something back from the total revenue – somehow, someday. Remember, you are providing these casinos a service, and it should be on amicable terms. Greed will not pay off in the end.

Have strict standards on how your players are treated, and refuse advertising deals from those who don’t meet these standards. This will protect your reputation if you stick with your set of rules. Attempt to make your standards tougher than a casino’s licensing jurisdiction.

We have a few – one example: “Must pay out progressive jackpot wins in full or in reasonable chunks, regardless of any terms and conditions limiting payouts.” Any casino that pays progressive jackpot wins in small increments is rogue, and both the MGA and the UKGC license casinos that do this.

If they don’t adhere to your standards, don’t promote them – or at least indicate somehow that they don’t meet your standards – thus this acts as a forewarning for players, and it may motivate a casino to try and do a better job.

Never forget that the players are the only reason why you have a business. Be one yourself. Sign up at the casinos you are promoting. Experience the registration process, the ID document submission, deposits, withdrawals – everything. If you enjoy the experience, there is a good chance your players will too. If you think it sucks, well... Don’t promote things that suck.

Make sure you can spot a scam: It’s whack-a-mole season on spotting the rogue casino at the moment. There is a flood of casinos coming out of Curaçao that have either stolen software or are taking illegal bets from the UK – or both. Scrutinise carefully casinos being run from Eastern Europe or Russia. Be careful with making deals with anyone in Israel. Israel has overtaken Costa Rica’s previous status as scam central.

Be clued up on what is happening in the industry. Stay alert – stay alive. Pay attention to what is happening in the fora – what players are saying – and what other affiliates are reporting about their experiences.

And one thing you must do before signing up at any affiliate program - read their terms and conditions. If there are any predatory terms like “you must produce x amount of players in x amount of months or your rev share will be reduced”, then walk away from the deal. This is predatory and forces you to advertise this casino perhaps in the future when that casino is getting toxic reviews from your competitors. Thus, this can damage your credibility and reputation.

Finally, one rule of thumb, never strongly promote a casino that you wouldn’t refer to your best of friends or close relatives. There are a number of casinos that fall into this category, and there are scores out there that no one should be touching with a barge pole.

WATCH THE BEAUTY BECOME THE BEAST

The industry has embraced affiliate marketing as its major source of traffic- and acquisition channel. We all understand the power of dedicated websites built around the product offer, informing and educating your target group. Even smaller websites that are not generating many new customers are contributing in marketing the product; often for no financial gain at all.

A few years ago, operators were buying smaller affiliate websites to support their SEO strategy. Now the smaller sites are often being punished by unfavourable terms and conditions which have led to many giving up on their project. As a result, we see less small affiliates today. Times are changing.

Gone are the days where the affiliate managers give away all the profit by handing out overly generous revenue shares or CPA deals that are three times the value of the player quality. Thankfully everyone seems to have matured and learned commercial skills and developed a strategic and analytical mind-set.

Affiliates have grown into businesses and are presenting themselves as partners with registered offices and tax codes. The sofa programmer with his e-wallet looks to become history and the next step is what we see now. A consolidation process has started. Already, affiliates of substantial size are driving the markets and they are on the acquisition hunt taking over other minor and major affiliates. Spreading their wings wide they become very powerful business partners. These partners are presenting their company alongside the operators at exhibitions and are running a recruitment strategy that rivals some of the industry greats. This trend is on the rise and we can take some positives from this but it also has some negative effects.

Take the average affiliate department. Some organise themselves split into product lines, others split into different markets. The ones split into markets mostly have bilingual affiliate managers with the target markets in their native language. A department could have as many as three people working with different affiliate site

managers that have now been consolidated into just one partner.

As an operator, you could have an opportunity to reduce overheads, which would leave affiliate managers wanting. If you as an affiliate manager had a good working relationship with the new master affiliate, then you can count yourself lucky. This one affiliate could become most important and you would be important for your company's success too.

As we are looking at a consolidation process, we can see that this will influence both the affiliate and the affiliate management. Fewer affiliates relate to fewer affiliate managers. These relationships become even more important when looking at the commercial implications, especially when an operator has shunned new affiliates that are working hard at making their business work. This is where it becomes extremely important for the operator's business not to be overly dependent on affiliates as their major channel for new customer acquisition.

The share of new customer acquisition by affiliate marketing in most businesses does not exceed around 30%. This is a healthy number and is a reflection of the other marketing acquisition channels that are doing well enough to weather a slump in affiliate related customer generation. However, as soon as the percentage goes up, one wants to hope that the company is not relying 100% on affiliate generated traffic. They could find themselves in hot water if the consolidation of affiliate sites pursues at the present speed.

Considering the top 10% of affiliates are generating 80% of the affiliate generated customers, and considering average affiliate base of around 3000 affiliates, then the operator relies on a good relationship with around 300 affiliates. Let's say the consolidation continues and a mere 20 partners now own the share of the top 300 affiliate sites. This is when the odds start working against the operator. This is where we will embrace the strength of the Beauty but be aware of the power of the Beast!

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