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FEBRUARY 2019

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FEBRUARY 2019

## INSIDE

- **PRODUCTOLOGY AND HYPER GROWTH**
- **AFFILIATE UX**
- **CPA VS REV SHARE**
- **WHERE WILL REGULATION PUSH THE TRAFFIC?**
- **PLAY HARD: GUSTAF HAGMAN, LEOVEGAS CEO**

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**CATENA CEO EXCLUSIVE**

Per Hellberg on his plan for the affiliate giant

WINNERS

Online casino brand 4StarsGames launched an affiliate programme with Income Access, Paysafe Group's marketing technology provider

CasinoPop has successfully implemented Wiraya's Mobile Customer Activation managed software, in an attempt to further strengthen its customer focus core

EVENS

Technology platform developer Betr announced the launch of the blockchain-based Betr affiliate programme, which is the first of its kind for the affiliate industry

A study between Nottingham Trent University and University of the Basque Country suggested players need to be protected from making impulsive bets by marketing campaigns during live sporting events

The Australian Competition and Consumer Commission has called for more regulatory oversight on Facebook and Google

LOSERS

# LADBROKES CORAL AND INCOME ACCESS RELAUNCH AFFILIATE PROGRAMME



Ladbrokes Coral has re-introduced its affiliate programme in partnership with Income Access, Paysafe Group's marketing technology and services provider.

Ladbrokes Coral Partners remains the official affiliate programme for Ladbrokes, Coral and Gala.

The company will also provide its affiliates with access to experienced professionals, who will assist with achieving acquisition and retention figures.

Anat Schlesinger, Marcom Manager at Ladbrokes Coral Group, said: "As the Coral and Gala brands have worked with Income Access for a number of years, it felt like natural for Ladbrokes to be migrated onto the platform.

"Relaunching the affiliate programme also provides an opportunity to make essential updates and help Ladbrokes achieve greater synergy with Coral and Gala."

Tara Wilson, General Manager at Income Access, said: "Partnering with Ladbrokes Coral Partners for this initiative is a very important milestone for Income Access, as we continue to establish a leadership role in the market.

"Positioning ourselves to effectively meet the needs of one of online gaming's most lauded and respected brands is an accomplishment of which we're extremely proud."

Daily visitors to Swedish media site AftonBladet, which agreed a marketing deal with Game Lounge, an affiliate subsidiary of operator Cherry

3.4M+

1 BILLION

Devices will have Google Assistant voice search technology available from February

Value of platform developer Better Collective's deal to purchase lead generation company Ribacka Group (\$34.2m)

€30M

50%

Revenue share for affiliates being offered by operator Don's Casino



# ACTIVEWINS

GOOD BUSINESS WITH A PERSONAL TOUCH

## FANCY BEING PART OF THE INDUSTRY'S PREMIER AFFILIATE NETWORK?



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# PASS NOTES

UK – Gambling advertising to be banned pre-watershed during live sport



## MEDIA BLACKOUT!

Not quite. The ban won't prevent people gambling, nor will it stop people from seeing gambling advertising. It is however, some form of middle ground.

## A GOOD DEED?

It may appear all rosy from gambling companies to suggest this, yet sports such as horseracing have been given the green light to continue throwing as many adverts as they like at potential punters.

## WHEN WILL THIS KICK OFF?

It'll be in place before a ball is kicked in the 2019/20 Premier League season. The knock-on effects could be costly for major operators, to the surprise of absolutely no one.

## NO ADVERTS, NO GAMBLING?

Even when this ban comes into play, there will still be plenty of gambling sponsorships on shirts and around the pitches. Nine out of 20 Premier League teams and 17 out of 24 Championship teams have shirt sponsorship deals with operators.

## QUOTE UNQUOTE

"It's all about delivering shareholder value. In three years' time, I'd hope the share price is £20. How do we get there? We have quite a few ideas. The US is obviously going to be important. Organic growth and grabbing market share in our key markets will be important and we might do more M & A."

**Kenny Alexander**, CEO at GVC Holdings

"Ad:s is a natural and necessary evolution of our global sports betting business. Ad:s works across all channels, but we are particularly excited by the proposition in digital."

**Felix Geyr**, leader of Sportradar's sports media strategy, on the supplier's launch of its marketing division

"Catena Media made a very good decision in December 2016 by acquiring a lot of assets in the US. It was predominately casino and poker but also a lot of sport assets, but because they were not properly run they had no value."

**Catena Media CEO Per Hellberg** discussing US purchases for the company

# MOVERS AND SHAKERS



**MARKUS NASHOLM**, former Head of Corporate Development and M & A at Catena Media, has joined supplier QTech as Global CEO



Catena Media has appointed **ERIK EDEEN** as interim CFO, succeeding Pia-Lena Olofsson



**KENNETH FUCHS** has been appointed as the new president of digital at William Hill US

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

# TRAFFIC REPORT

Trafficology has partnered with data experts Casino City Press to provide insight into website and traffic trends across the gaming industry. Here is a worldwide and regional breakdown of the top-performing affiliate programmes in 2018, as measured by the traffic to the websites they represent and in comparison with 2017.

## OVERALL RANK

Rank	+/-	Operator	Website
1	-	bet365 Affiliates	www.bet365affiliates.com
2	15 ▲	NetHive Affiliate Program	www.nethive.com
3	46 ▲	Yahoo Fantasy Sports Affiliates	sports.yahoo.com/dailyfantasy/affiliates
4	1 ▲	Kindred Affiliates	www.kindredaffiliates.com
5	2 ▼	Betfair Partnerships	affiliates.betfair.com
6	4 ▼	IQ Option Affiliate	affiliate.iqoption.com
7	-	William Hill Affiliates	affiliates.williamhill.com
8	2 ▼	Pari-Match Affiliates	affiliates.parimatch.com
9	3 ▲	Affiliate Hub	affiliatehub.skybet.com
10	1 ▲	Almor Affiliates	almoraffiliates.omarsys.com
11	3 ▼	Stoiximan.gr Affiliates	affiliates.stoiximan.gr
12	25 ▲	1xBET Partners	1xpartners.com
13	4 ▼	ActiveWins Affiliate	www.activewins.com
14	61 ▲	GVC Affiliates	www.gvcaffiliates.com
15	1 ▼	Betin Kenya Affiliates	affiliates.betin.co.ke
16	2 ▲	Best Partners	www.bestpartners.com
17	13 ▼	Tipico Affiliate Program	www.tipico.com/en/affiliate-program
18	2 ▼	FDJ Affiliate Program	www.fdj.fr
19	4 ▼	U-affiliates	www.uffiliates.com-
20	5 ▲	Fortuna Affiliates	fortuna-affiliates.com

## AFRICA RANK

Rank	+/-	Operator	Website
1	1 ▲	Bet9ja Affiliates	affiliates.bet9ja.com
2	1 ▼	bet365 Affiliates	www.bet365affiliates.com
3	1 ▲	Betin Kenya Affiliates	affiliates.betin.co.ke
4	1 ▼	IQ Option Affiliate	affiliate.iqoption.com
5	6 ▲	betway Partners Africa	www.betwaypartnersafrica.com
6	6 ▲	1xBET Partners	1xpartners.com
7	-	NairaBet Affiliates	www.nairabetaffiliates.com
8	3 ▼	eToro Partners	www.etoropartners.com
9	4 ▲	XM Partners	partners.xm.com
10	2 ▼	ZEturf Affiliates	affiliationen.zeturf.com
11	2 ▼	Binary.com Affiliate Program	affiliates.binary.com
12	5 ▲	HotForex Partners	www.hfaffiliates.com
13	16 ▲	BinPartner	binpartner.com
14	7 ▲	FXTM Partners	www.fxtmpartners.com
15	3 ▲	PMU.fr Partners	partners.pmu.fr
16	9 ▲	GVC Affiliates	www.gvcaffiliates.com
17	7 ▼	bwin.party Partners	www.bwinpartypartners.com
18	8 ▲	Olymp Trade Affiliate Program	affiliate.olymptrade.com
19	1 ▲	InstaForex Affiliate	partners.instaforex.com
20	3 ▲	Planet Win 365 Affiliates	affiliates.planetwin365all.com



Rankings are estimated using statistical data and should not be considered absolute ranking values. More than 50 complimentary top lists are available on the iGamingDirectory.com website operated by Casino City Press



## ASIA RANK

Rank	+/-	Operator	Website
1	-	bet365 Affiliates	www.bet365affiliates.com
2	-	IQ Option Affiliate	affiliate.iqoption.com
3	1 ▲	VivaroBet Affiliates	affiliates.vivarobet.am
4	1 ▲	M88 Affiliate	affiliate.m88.com
5	1 ▲	BinPartner	binpartner.com
6	5 ▲	Marathon Bet Affiliate	affiliates.marathonbet.com
7	-	Binary.com Affiliate Program	affiliates.binary.com
8	4 ▲	1xBET Partners	1xpartners.com
9	7 ▲	XM Partners	partners.xm.com
10	7 ▼	Asianconnect	www.asianconnect88.com
11	1 ▼	eToro Partners	www.etoropartners.com
12	16 ▲	Yahoo Fantasy Sports Affiliates	sports.yahoo.com/daily-fantasy/affiliates
13	-	Olymp Trade Affiliate Program	affiliate.olymptrade.com
14	5 ▼	NextBet Affiliates	www.nextbetaffiliates.com
15	7 ▼	SBOBET Affiliate Program	affiliates.sbobet.com
16	3 ▲	IG Markets Partners	www.ig.com/uk/affiliates
17	-	Income88	www.income88.com
18	3 ▼	Betfair Partnerships	affiliates.betfair.com
19	3 ▲	Dafabet Affiliates	www.dafabetaffiliates.com
20	13 ▲	IC Markets Affiliate Program	www.icmarkets.com/partnerships/affiliate-program



## EUROPE RANK

Rank	+/-	Operator	Website
1	-	bet365 Affiliates	www.bet365affiliates.com
2	10 ▲	Marathon Bet Affiliate	affiliates.marathonbet.com
3	1 ▼	Pari-Match Affiliates	affiliates.parimatch.com
4	-	Kindred Affiliates	www.kindredaffiliates.com
5	-	Betfair Partnerships	affiliates.betfair.com
6	3 ▼	Stoiximan.gr Affiliates	affiliates.stoiximan.gr
7	4 ▲	eToro Partners	www.etoropartners.com
8	44 ▲	GVC Affiliates	www.gvcaffiliates.com
9	2 ▼	Fortuna Affiliates	fortuna-affiliates.com
10	1 ▼	Favorit Affiliates	affiliates.favorit.com.ua
11	3 ▼	William Hill Affiliates	affiliates.williamhill.com
12	2 ▼	Tipsport Partners	www.tipsport.cz/partner
13	2 ▲	PMU.fr Partners	partners.pmu.fr
14	1 ▼	FDJ Affiliate Program	www.fdj.fr
15	8 ▲	1xBET Partners	1xpartners.com
16	2 ▼	bwin.party Partners	www.bwinpartypart-
17	-	Affiliate Hub	affiliatehub.skybet.com
18	12 ▼	Tipico Affiliate Program	www.tipico.com/en/affiliate-program
19	1 ▼	Almor Affiliates	almoraffiliates.omarsys.com
20	6 ▲	U-affiliates	www.uffiliates.com



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## LATIN AMERICA RANK

Rank	+/-	Operator	Website
1	-	bet365 Affiliates	www.bet365affiliates.com
2	2 ▲	NetHive Affiliate Program	www.nethive.com
3	1 ▼	IQ Option Affiliate	affiliate.iqoption.com
4	2 ▲	Sportingbet	www.sballiatives.com
5	2 ▼	Betfair Partnerships	affiliates.betfair.com
6	1 ▼	Rivalo Affiliates	www.rivalo.com/en/partner-program
7	-	eToro Partners	www.etoropartners.com
8	1 ▲	Inkabet Affiliates	afiliados.inkabet.pe
9	10 ▲	1xBET Partners	1xpartners.com
10	10 ▲	Yahoo Fantasy Sports Affiliates	sports.yahoo.com/dailyfantasy/affiliates
11	3 ▼	PokerStars Partners	www.pokerstarspartners.com
12	2 ▼	Binary.com Affiliate Program	affiliates.binary.com
13	-	Betsson Group Affiliates	www.betssongroupaffiliates.com
14	-	Olymp Trade Affiliate Program	affiliate.olymptrade.com
15	9 ▲	XM Partners	partners.xm.com
16	13 ▲	Best Partners	www.bestpartners.com
17	5 ▼	Juega en Linea Afiliados	www.juegaenlinea.com/afiliados
18	7 ▼	The Plus500 Affiliate Program	www.500affiliates.com
19	28 ▲	GVC Affiliates	www.gvcaffiliates.com
20	5 ▼	bwin.party Partners	www.bwinpartypartners.com



## NORTH AMERICA RANK

Rank	+/-	Operator	Website
1	2 ▲	Yahoo Fantasy Sports Affiliates	sports.yahoo.com/dailyfantasy/affiliates
2	1 ▲	Best Partners	www.bestpartners.com
3	2 ▼	DraftKings Affiliates	www.draftkings.com/affiliates
4	1 ▲	bet365 Affiliates	www.bet365affiliates.com
5	3 ▼	GSN Partnership Program	www.gsn.com/partner
6	-	FanDuel Partners	www.fanduel.com/partners
7	1 ▲	SIA	www.sportsinteraction.com/affiliate
8	1 ▲	TwinSpires Affiliates	www.twinspiresaffiliates.com
9	-	Commission.bz	www.commission.bz
10	168 ▲	5Dimes Affiliate Program	affiliates.5dimes.eu
11	-	Nitrogen Affiliate	www.nitrogensports.eu/affiliates
12	2 ▼	Michigan Lottery Affiliates	playonline.michiganlottery.com/affiliate/
13	25 ▲	Asianconnect	www.asianconnect88.com
14	2 ▼	Nadex Affiliate	www.nadex.com/affiliates
15	7 ▲	Intertops Affiliate	www.intertops.eu/affiliate
16	-	Bet9ja Affiliates	affiliates.bet9ja.com
17	4 ▲	PokerStars Partners	www.pokerstarspartners.com
18	22 ▲	SBOBET Affiliate Program	affiliates.sbobet.com
19	8 ▲	Betway Partners	www.betwaypartners.com
20	8 ▲	Marathon Bet Affiliate	affiliates.marathonbet.com



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# LONDON'S CALLING: WHAT TO EXPECT FROM LAC 2019

With more than 5,000 people from the online gaming affiliate space heading to the London Affiliate Conference this year, the event organisers tell us why we should be excited

### **TAILOR-MADE CONFERENCE CONTENT**

In the last couple of months, we have been working our socks off to find out exactly what you want to learn about at this year's London Affiliate Conference. We have surveyed you, called you and asked you over social media - we do this so that we get it absolutely right. Once we find out what you want to hear about, we reach out to our favourite past speakers and the best speakers from events we have attended through the past year. We've worked with them to create tailor-made sessions that focus around you and your biggest issues and worries.

At LAC 2019, you can expect our most researched conference schedule to date. You will be able to learn the things you want to learn from speakers who are proven to be the best around.

### **NON-STOP NETWORKING**

Let's be straight; you don't just come to our conferences for fun, you want to be able to meet the right people who will help you and your business improve. To ensure you can do that, we have gone the extra mile to guarantee our whole exhibition is optimised for your networking purposes.

At LAC 2019, you can expect non-stop networking from the minute you arrive at the official hotel to the minute you wave goodbye to your new contacts at the Unwind session. We have tweaked the floorplan so you can expect more places to network and have meetings, and our networking parties will be at better-suited venues with free drinks to keep you and your new partners talking. There will also be loads of time for you to network at the official hotel during pre-registration, breakfast and late into the night.

### **FREE ENTRY TO THE IGB AFFILIATE AWARDS**

The iGB Affiliate Awards focus on transparency - the awards are designed to reward those who give their all for our industry. We are proud to continually deliver transparent and inclusive awards and look forward to hosting another fantastic event in 2019.

The best thing about the awards over the last three years is they are 100% free for anyone who attends LAC 2019. This year is exactly the same.

### **EXHIBITORS AND SPONSORS WHO GO ABOVE AND BEYOND**

All our exhibitors and sponsors go big for LAC, so you can expect bigger stands, bigger giveaways and bigger names than at any other show in the industry. At previous LACs, we've welcomed the Leicester Tigers, Jimmy Bullard, the DeLorean from Back to the Future, Harry Redknapp, Russ Bray and many more famous faces to London across four days. This year, we are expecting our exhibitors to bring even more attractions to the showroom floor, just so they can get you to their stand.

Keep an eye out for our announcements of what exciting stuff our exhibitors and sponsors will be doing.

### **FREE ADMISSION FOR ALL AFFILIATES AND INTRODUCING BROKERS**

When we first launched our events all those years ago, we made a promise. No affiliate will ever pay for our events or any of the content we produce as iGB Affiliate. That statement still stands strong.

The London Affiliate Conference 2019 is and will always be 100% free for affiliates and introducing brokers.



# STEERING THE SHIP HOME

Catena Media CEO **Per Hellberg** speaks to **David Cook** about where the company's M & A strategy is ultimately heading

"We don't need any more brands, so now we are focusing on ourselves."

Per Hellberg appears to have been brought in for the landing phase of the Catena Media mission. The affiliate business' long-term aim of growth via acquisition has been one of the key talking points in the affiliate gaming market in recent times; to the extent where it feels any discussion about future M & A in the market almost subconsciously seems to really mean future Catena M & A activity in the market. But from our discussion with Hellberg, it seems now is the time to prove whether the long-term plan can come to fruition, and he could be the man to make it happen.

Working on the affiliate side of the industry may still be fairly new to him, but he's no stranger to tech or gaming. He worked his way up to Product Manager at electronics company Pioneer Electronic Svenska in the early 1990s, before serving for Sony's Nordic business for 12 years, from 1995 to 2007, rising to Marketing Director.

A spell with operator Nordic Gaming Group followed, where he moved in 2008 for a short stint as Chief Marketing Officer, before taking the reins as CEO, where he led the business for three years. His time with Nordic Gaming concluded when he oversaw its sale to fellow operator Betsson in 2012, in a deal worth approximately €65m (\$74.6m).



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While Hellberg had dealings with affiliates in his time with Nordic Gaming, he was able to acquaint himself more thoroughly with an affiliate-style business when he became CEO of Readly; a subscription service which offers unlimited access to magazines, in 2013; explained by Hellberg as “a Spotify for magazines.” The call to transfer his knowledge to one of the gaming affiliate industry’s leading players came last year, as he became Catena Media CEO in June.

Hellberg tells *Trafficology*: “Henrik Persson [a Catena Director] called me several times and I couldn’t say no. It was an industry I already knew and it was a chance for my daughters to move to Malta and learn English, so it was a good match.”

When Hellberg first joined Nordic Gaming, affiliation still seemed a relatively new term, and when asked about how his time on the operator side of the fence could stand him in good stead at Catena, he says: “When I joined Nordic Gaming Group, we didn’t have any affiliation business at all. When I left, we had a strong affiliate arm.

“We restructured the entire business once we moved to Malta and cut away the things that didn’t generate anything. Then we looked at what opportunities we had to maximise revenues. One idea was to invest our own money in an efficient way; the other was to see if someone else can bring you money and pay for that in a different way.”

Catena now presents him with a challenge unlike any he has faced before. The company’s series of acquisitions means it now promotes more than 1,200 brands, including AskGamblers, PlayNJ, LegalSportsReport, PokerScout, Betting Pro and Squawka. Catena also works with about 1,000 online B2B customers/operators.

Hellberg makes it clear there is nothing blasé about the strategy, and the fact the company is building through a series of small acquisitions as opposed to a single industry-shaking deal shows it is not a short-term fix. He says: “We have an M & A team that looks at about 60 cases every month. But in most cases, we say no after we see how their SEO structure is built. It’s a lot harder to pull off successful acquisitions today than it was a few years ago.

“In general, the best waters have been fished, so to speak, in terms of good affiliates. Either they have a good structure but are a bit small, or there are big clusters containing a lot of different brands. These would be a nightmare to onboard efficiently.”

The comment about the best waters being fished is reflective of Hellberg and the company’s attitude towards future acquisitions, as after the aggression that has been shown in recent years, including 10 brand purchases in 2017 and a further 10 in 2018, there seems to be more of an air of caution with regards to future deals.

Hellberg says: “We’ve completed 34 acquisitions so far. Two years ago, we had about 14,000 domains in our portfolio. That is far too many to operate efficiently, so you need to balance that. You need a lot of brands for different customers, so that you don’t have a generic brand that offers everything to everyone.

“What we’ve found is typically, 10 per business vertical – sportsbook, casino, financials – is quite good. We’ve put a lot of effort into those and built them as their own companies within the larger company. If you do that, you start to see you can actually improve a lot of things. Growing geographically is not that difficult, as customer needs are similar by market.”

Despite the number of plates being spun, Catena’s financial reports show it is not on the level of some of the operators it partners with, as its last released annual report, covering 2017, showed revenue of €66.4m, up from €38.4m in 2016. The 2017 total was

beaten by the first three quarters of 2018, where revenue of €77.6m for January to September reflected a 63% year-on-year increase. EBITDA went up 61% to €35.9m.



PER HELLBERG

The numbers have unsurprisingly ascended, but is long-term growth sustainable? Is organic growth possible with a business model such as Catena’s? “Typically, if we grow 60% year-on-year, the majority of that is from acquisitions,” Hellberg says. “But our pure organic growth grew 17% for the first nine months of 2018, when people were expecting between 1% and 5%. We believe this is

**“WE HAVE AN M & A TEAM THAT LOOKS AT ABOUT 60 CASES EVERY MONTH. BUT IN MOST CASES, WE SAY NO AFTER WE SEE HOW THEIR SEO STRUCTURE IS BUILT. IT’S A LOT HARDER TO PULL OFF SUCCESSFUL ACQUISITIONS TODAY THAN IT WAS A FEW YEARS AGO”**

higher than the market itself. That is not including the sports business in the US, which did not exist a year ago.

“We still have 1,200 domains live, but some of them are old revenue-share accounts that are still active. Typically, the 30 brands we’re focusing on are generating more than



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80% of our business. Those 30 brands are all showing organic growth for us, so that's where our focus is."

The nature of gaming, like most other industries, is cut-throat, and it is quite clear to Hellberg what his target is. Catena is working towards hitting adjusted EBITDA of €100m for 2020, which would be a sharp upturn from 2017's total of €36.1m and the €54.4m total given as a run-rate in the Q3 2018 financial report. This could

**"TYPICALLY, IF WE GROW 60% YEAR-ON-YEAR, THE MAJORITY OF THAT IS FROM ACQUISITIONS. BUT OUR PURE ORGANIC GROWTH GREW 17% FOR THE FIRST NINE MONTHS OF 2018, WHEN PEOPLE WERE EXPECTING BETWEEN 1% AND 5%"**

in some way be impacted by a change in management in this field, with Pia-Lena Olofsson leaving the role of CFO in January and being replaced on an interim basis by Erik Edeen.

There is still some way to go to meet expectations, and while Hellberg concedes it is an ambitious objective, it slowly but surely seems to appear more achievable. He says: "When I came in, I was a bit concerned about our target of €100m. The company wanted to project a good future, but the key is to bring value to shareholders at the same time. We looked at it and the first thing we need to look at is, if we do nothing and grow organically, you don't need many more staff. So how far can we increase the revenue by doing that?"

"We first go about it by looking at entering new markets and looking at things like US casino. Putting all these things together, we actually come quite close to the €100m.

"Adding West Virginia and Pennsylvania, which we hope to launch in this year, you come even closer. Then we look at whether we need more M & A. If more states open up, we can enter them and reach €100m and, if not, we can do an acquisition to reach it. We feel quite confident about that."

Catena operates via 11 locations worldwide, with offices in the UK, the US, Sweden, Italy, Malta, Serbia, Japan and Australia. That said, there can be little doubt which one of those markets appears to be the key to unlocking the door which guards that €100m target.

While the gaming world was sent into a frenzy by the repeal of the Professional and Amateur Sports Protection Act last May, Catena was already well positioned in the US, as it entered the market in January 2017 by buying affiliate assets within the regulated online casino and poker markets in New Jersey and Nevada. Catena owns about 60% of the US gaming affiliate market.

When asked if affiliate licensing is likely to form part of sports betting regulation in the US moving forward,

Hellberg can offer two separate answers. He says: "I think the only regulations so far are very old – that you need a license to do revenue-share deals in New Jersey and Pennsylvania, but not for CPAs. That's very strange, because that has nothing to do with the customer experience.

"I don't foresee a lot of regulations for affiliates, because US regulations are about protecting customers and making sure of tax revenue for the state.

"On the other hand, I foresee a lot of regulations, in terms of marketing. Considering the amount it costs for operators to get a license, an affiliate breaching the law is not something you want to happen. If you show you have strong compliance internally, similar to the UK, where we need to be very careful what marketing messages we put up on our site, you should be ok."

The US seems to dominate much of the talk about future opportunities in gaming, and while there are other target areas in mind for Catena – namely Spain and Brazil – Hellberg cannot escape what is being presented to the business across the Atlantic. He says: "Within two or three years now, the US market is reaching some 150 million people, which is like putting Germany, the UK and others together.

"We have a dedicated focus in the US, but we will also focus everywhere. We don't usually want any markets to be above 10% of our business but, in 2019, the US will definitely be our biggest market."

With all this to consider, what exactly is Catena's endgame, on top of the €100m adjusted EBITDA target? Could there perhaps be some form of an exit strategy?

Hellberg steers us in a different direction. "We want to make sure Catena is not just an online gaming company," he answers. "The better we become on lead generation in more verticals, the more ideas we'll bring in from other verticals to online gaming, which our partners will benefit from.

"But we will never shift our focus from our existing business. When we launched a financials arm, instead



of regrouping headcounts internally, we took the decision to invest and acquire people who know that vertical very well.

"We want to make sure the core business always does very well."



# THE RISE OF AFFILIATE PRODUCTOLOGY AND HYPER-GROWTH PRODUCTS

Online gaming consultant **Mark McGuinness** talks us through emerging trends in the affiliate market and what some new buzzwords actually mean

In our ever-increasingly connected digital world, technology is the driving force behind changes in our learned behaviour and in our consumption and usage of brands, products and services, especially in the attention economy, where consumers have an attention span of seconds.

Online gaming affiliate marketing, which traditionally relied on traffic generation techniques such as SERPs, is not immune to these changes. Acquisition and retention marketing operational tasks are becoming more reliant on big data and automation and there has been a paradigm shift to keep valuable traffic generated prospects engaged.

So what does the future hold for digital affiliate marketing, even though it was probably a marketing or advertising executive that came up with the mash-up marketing technobabble terms such as big data, programmatic buying, remarketing, productology and other such similes?

Every touchpoint of a digital native's connected lives, whether we are consciously aware or unaware of it, leaves a digital data footprint. Whether it's our mobile internet browsing behaviour, our purchase intent, or our affinity towards brands, either positively or negatively, even the smallest amount of minutia can be found.

Digital data, which can also be referred to as 'big data,' is all around us. According to IBM 2.5, a quintillion (a thousand raised to the power of six) bytes of data are generated every day. To provide some context, 90% of the data generated in the world at this time has been created in the last two years alone.

Some examples of digital data sources include: Sharing on

social media sites, pictures via Instagram, videos, e-commerce and mobile commerce transactions, loyalty card schemes, medical records, tax returns, voice and data calls via our mobile and instant messaging via apps such as WhatsApp, WeChat and Telegram. Other examples include satellite data for Google Earth and Maps, weather information, military intelligence, drones and usage by other heavy industries.

More of our physical, non-digital movements are also being captured by CCTV cameras and now low-flying drones. This 'digitised data', using triangulation via our mobile phone's GPS for location-based marketing, beacons along with tracking sensors surreptitiously hidden in the vehicles which we drive, means we are never really out of the line of marketing sight.

It's fair to say George Orwell's infamous novel 1984 and the omnipresent and omnipotent Big Brother governments scrutinising your everyday movements is a reality. But what his novel couldn't have foreseen is perhaps it's not the government that knows more about you; it's the social networking sites and marketing companies. The book was written long before the Facebook Cambridge Analytica scandal and the tailwinds of GDPR (General Data Protection Regulation) that landed last May.

So what will the affiliate marketing challenges be post GDPR and post the continuous Google algorithm updates? If you surveyed most marketing CMOs, most would agree data to deliver a product focus is considered the panacea to a brand's sustainable competitive advantage and perhaps survival in the new digitally and socially challenging and technology-based ecosystem.

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## ENTER THE AFFILIATE PRODUCTOLOGIST AND HYPER-GROWTH PRODUCTS

We have already seen data and the complexities it brings, in terms of collection, storage, security and analytics giving rise to a new skill set requirement within the cross section between marketing and IT departments of operators and super affiliates; the productologist, or the old term, data scientist.

While it's fair to say the productologist role could be seen as the intersection or hybrid between marketing and IT in getting both factions to talk the same common language, it probably isn't as clear cut as that. The clue is in the name. These individuals have big product ideas to create another marketing hyperbole – hyper-growth products - and are highly-educated and trained, having a background in mathematics, statistics or MIT. They are also highly expensive, in terms of salary costs, and therefore could be out of reach of most online gaming affiliates and small-to-medium-sized gaming operators.

Part of the productologist role is therefore to create hyper-growth products, using predictive data models that capture the underlying patterns of complex customer and organisational systems, and deliver coding solutions to turn those models into working product applications for business and marketing insight - or so we are told.

It is clear the underlying trend is for our society to create more and more data, so the important question is: Do online gaming affiliates hire the productologist talent or outsource? This of course, is down to the individual affiliate, but I suspect the big operators shall want to rinse every byte of data for insight and competitive product advantage, and those are likely to be the publicly-traded affiliate. In short, the biggest and fittest affiliate companies shall survive and flourish.

## THE RISE OF THE ENGINEERS

Following hotly on the heels of the productologist, the new hyperbolic term trending on the worldwide web is marketing engineering. The term, which at the time of writing still hasn't entered the Cambridge Dictionary, is believed to have been introduced by Professor Gary Lilien, a well-known Professor of Management Science at the Smeal College of Business at Pennsylvania State University. He is one of the founders of DecisionPro pioneering. DecisionPro is a new marketing philosophy that brings concepts and frameworks from economics, finance and information management, with the aim to translate marketing ideas and product concepts into specific operational decisions and actions using analytical, quantitative and computer-modelling techniques.

## THE FUTURE OF AFFILIATE MARKETING

Everything in today's digital society is moving at lightning speed. Products and even people are becoming disposable, because new products and new friends are easy to find, as it's only a swipe away. There is no denying affiliate and general digital marketing as a discipline is becoming more data-driven, more product-orientated and more automated and that will impact on decisions, operational efficiencies and growth prospects for any affiliate business.

If anything, our understanding of how things work has lessened, but our reliance on them has increased at a rapid rate, in terms of dependency. In fact, most people now see Google Now, Siri, Cortana or Amazon's Alexa and Echo as the de facto oracle of knowledge and answers - that's if the voice recognition software works of course. The reality is a computer programme or digital assistance is only as good as the person that wrote the code and as the person inputting the data and analysing the outputs.

I am a former scientist and as much as I yearn for a more scientific approach to all forms of marketing, data can't replicate or tell you about human emotions. Can data-driven

machines be as great as Leonard da Vinci or create such an empathic connection as the late Steve Jobs' Apple brand? Technology, and its application via new products, is about making us mere mortals' mundane lives and tasks easier. Marketing is the emotive and creative engine that delivers that message, solving your day-to-day problem.

I've yet to witness a marketing technology that exhibits or mimics human creativity and passion, but it will come, that's

**"WHILE IT'S FAIR TO SAY THE PRODUCTOLOGIST ROLE COULD BE SEEN AS THE INTERSECTION OR HYBRID BETWEEN MARKETING AND I.T. IN GETTING BOTH FACTIONS TO TALK THE SAME COMMON LANGUAGE, IT PROBABLY ISN'T AS CLEAR CUT AS THAT. THE CLUE IS IN THE NAME"**

for sure, especially with the rise of robotic process automation; i.e. software robots or artificial intelligence workers.

I fear the technology rot has already happened and as such, our continuing reliance on technology to unearth answers for the affiliate marketing conundrum and product competitive advantage will result in more commoditised and vanilla products. They shall all be using the same core data-savvy technologies, the same smart machines and quantum computing. These will result in a sterile, monochrome product marketing metropolis of disenchanting workers and digital consumers.



**MARK MCGUINNESS**

*Mark McGuinness has more than 22 years' experience in digital marketing director roles with both private & public iGaming operators. He currently serves as the resident iGaming Futurologist & CMO of BetOlimp & is the founder of esportsbet.com - a resource for gamers & sports bettors who wish to start betting on eSports.*



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# WHAT MAKES PLAYERS CLICK?

Tim Poole reports on the ever-increasing importance of user experience in the affiliate space



In a world where users switch off after more than three clicks, user experience (UX) is one of the biggest consumer-facing aspects of any business.

For entertainment and gaming, it can be the difference between a successful product and millions in wasted investment and resources. Suppliers need to consider the UX of their sportsbooks and slot machines, while operators need to examine the UX of their promotions, homepages and betslips.

Affiliates are not exempt from this list though. With UX constantly discussed within gaming as an area lagging behind in terms of innovation, its importance to the affiliate sector is unquestionable. Converting a user into a paying player relies as much on that user's experience of the affiliate's site as it does the operator's, taking both sports betting and casino content into account.

Better Collective's Head of Product Experience, Martin Anker, believes this requires an affiliate approach of rigorous testing and creating "tools" rather than "features" – a core UX strategy he thinks will never change.

He tells *Trafficology*: "The UX strategy is always the same: we make tools, not features. We observe and interact with users, explore their world, test the hell out of our products and focus on delivering the best possible user journey answering their needs."

As part of that focus, Better Collective embarked on a mission to educate its players in December 2012, launching the Bettingexpert Academy. It aims to help players with tips, advice and provide fundamental "how to" betting guides. This "additional layer of trust," as Anker describes it, is a way of improving the bettor's overarching experience – including time spent away from Better Collective sites.

"The Bettingexpert Academy helps conversion by adding an additional layer of trust between us and the user," Anker explains. "Our mission has always been to empower users through informative, relevant and helpful content so they can make the best decision for them. By objectively providing information aimed to help punters improve their strategies, and make more educated bets, we join forces with users rather than the bookmakers."

"This has always been our goal. Earning this genuine trust through education helps us increase conversions in the form of creating smarter bettors and giving them more opportunities to practice smart betting."

Better Collective is not the only firm to adopt this strategy, but it certainly executes it well, particularly standing out in the affiliate world for its "empowerment."

Another far-reaching affiliate, Catena Media, is similarly unafraid to think outside the box when it comes to UX.

For CEO Per Hellberg, credence is given to the way customers are engaged – and what needs are fulfilled – rather than merely the appearance of a URL.

Casino content however, delivers more notable challenges for affiliates. As Hellberg points out, you “can’t do much” with a “quick bonus.” Instead, education and creating a “community” is Catena’s preferred method.

He tells *Trafficology*: “One of our most successful products, AskGamblers.com, is a typical example. It’s one thing if you just want a quick bonus. But you can’t do much with that. If you enjoy playing casino games and want to know what others think about a new game, or what suppliers you can trust, you start thinking more like a community. It’s like if you’re a stock trader, you read up to become better.”

Another community feature Hellberg is proud of is a forum allowing customers to complain about unpaid bonuses – which recently led to as much as \$19m being claimed back from operators in one week.

“On AskGamblers, we have a community, as well as several other features, but we also have a claim back part,” he continues. “A lot of people don’t get bonuses from operators and get quite upset – so we’ve created a forum where consumers can file a claim. The operator then has 90 hours to sort it – this doesn’t mean they have to pay it, but they must respond. If they don’t, they drop in our internal rankings, which all customers can see.

“That’s one example of us not just doing a quick sell. We’re looking at customer experience and what problems the customer needs solved. That’s how we look at the future. We cannot have a brand that cannot provide a clear, simple explanation of problems to customers. Otherwise, it would just be a price-modelling site, which has no profit in the long run.”

That’s not to say bonuses should be ignored completely. When it comes to presenting them to players, Better Collective’s Head of Product Experience highlights the “comprehensive” nature of keeping offers up to date.

Anker states: “We update our casino content on a daily basis so we can bring the most up-to-date bonuses and offers to our users. We pride ourselves on being comprehensive, so it’s important we always show the latest information from our partners.”

Beyond that though, Catena Media’s CEO believes people will always want to read about certain aspects of their gaming experience – likewise when it comes to what they share.

“People come in and write about their experiences of casinos,” Hellberg says. “If you look at people who really enjoy the casino business, they want to share things but they haven’t been able to in the past. Here, we have a big site to help people, ranking what’s good and bad. If you feel you can contribute, you tend to. It helps engage people, which is exactly how the world works today.

“But you need to understand what people like to read about. We get a feeling of what people like to hear and discuss. Of course, it’s harder to write about something more mathematical than if two sports teams are running around trying to beat each other on the field. But people focus on what they want to see and share.”

So, with numerous elements to consider during the content creation process, has there been enough innovation in affiliate UX?

Anker responds with a question of his own: “Hmmm, will there ever be enough innovation?”

“Legal requirements, smart assistants and emerging markets are all factors driving innovation. We have had to think differently to navigate the regulatory space, while also adapting to new tech habits. This approach



PER HELLBERG



MARTIN ANKER

has impacted how we create products. We do not simply push innovation for the sake of being innovative. We push ourselves to create superior products by being curious and continuously exploring.

“Luckily for us, innovation is often a side effect of that process. To give a tangible example, let’s look at how Google Home, Alexa etc. are changing the game. This is of course something we need to react to, as it could add a whole new user journey for consuming offers. For anyone working with UX, it’s important we begin using and engaging with smart assistants in our own lives to find how to improve the journey through them.”

If Anker and Hellberg’s comments are anything to go by, the value of dynamic UX has never been clearer, while the evolution of what makes a strong UX justifies constant monitoring.

Anker concludes: “To succeed in UX, you have to engross yourself in the user journey. Live by it, get inspired, and understand every detail, to know how to solve their pains and then be able to add a business angle. Test, learn, fix, repeat – until you get it right.

“Sometimes it is innovative, sometimes it is mainstream. But, in the end, it’s a matter of finding the best ways of connecting the users’ needs with our own, regardless of how innovative or mainstream each solution might turn out.”

In other words, no user is just another number, so no affiliate should ever treat them like one.



# FINDING THE PERFECT DEAL STRUCTURE

CPA, rev share, or even hybrid – what is best for your business?  
**Nathan Joyes** seeks out the answers you may be looking for

There could be huge rewards for a publisher in an affiliate marketing deal if the right program is selected, but which one do you choose? It is often a tricky decision for both affiliates and operators.

Knowing which method to select is only the beginning.

Choosing the structure for your business or website is when the more difficult questions come about.

You need to ask yourself: What is your goal? What are you trying to achieve? Who is your audience and how active are they going to be?

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Gavin Walters, Director of Business Development at KAX Media, tells *Trafficology*: "Without doubt, the long-term potential lies with revenue share. This all depends on the operator though, as they retain players at different levels. For affiliates running large scale businesses, which most of the big players are, straight revenue share can be very risky."

It appears if you are in for the short term and want immediate profit, you are better off taking a CPA structure. This may sound appealing for a first-time publisher wishing to earn extra revenue.



**"IT ALL COMES DOWN TO PERFORMANCE. AFFILIATE MARKETING IS PERFORMANCE MARKETING REALLY SO IT GIVES THE OPERATOR AN OPTION TO PAY WHAT THEY FEEL THE TRAFFIC IS WORTH TO THEM"**  
- GAVIN WALTERS

Sophie Hatherly, Director at J&S Media, believes the majority of deals in recent times have in fact shifted away from revenue share.

She says: "In the past 18 months, I have noticed more affiliates are looking for CPA and hybrid deals over revenue share. I think this is because as time goes on, affiliates can see how much more money they can make from a CPA or hybrid deal than just rev share alone.

"This would be more appealing to them as at the end of the day, it's all business, and everyone wants to make as much money as possible."

Walters feels the cost of the CPA model is currently too high, which is why businesses can be undecided on what model to decide on.

"The biggest shift of last year was for PPC affiliates, as CPA became more expensive. This meant traditional

CPA models weren't always viable for both affiliates and operators, which led to an increase in hybrids."

Despite CPA still proving popular with certain businesses, Hatherly explains there are still drawbacks to this type of deal.

"CPA is great for budgeting," she says. "After a while, an affiliate would know roughly how many FTDs they can generate for a brand, so they have a clear picture of income month-on-month. However, affiliates could make less income from CPA if they have quality traffic with high-depositing players."

Walters echoes Hatherly's opinion, stating both models have their flaws and that much is dependent on what each individual business requires.

He says: "The disadvantages to both of these models is the fact they only reward brand new players. Affiliate traffic offers a lot more than new players, yet payment models do not reward the other benefits, such as brand awareness, retention and product reviews.

"It all comes down to performance. Affiliate marketing is performance marketing really, so it gives the operator an option to pay what they feel the traffic is worth to them."

Despite the shift away from revenue share, Hatherly believes there are plenty of positive deals to be had, but an element of risk will always come with them.

"Revenue share is great for affiliates with high-depositing players," she says. "For high-quality traffic, affiliates can make a lot of income from a revenue-share model. However, if this player wins big, the affiliate can lose a lot.

"The affiliate could even have a month of zero earnings, which is not ideal with bills to pay. The earnings the affiliate can make are then very uncertain month-on-month compared to an easy CPA model."

The hybrid commission scheme appears to offer the best of both worlds and is one Walters prefers. The combination can be an enticing proposition for a business which is unsure about siding with one in particular.

Walters says: "We like this model and tend to favour it. It's the perfect mix of upfront return and a long-term partnership.

"Hybrid deals are also friendly to operators, as they allow them to stretch their acquisition budget further and bring in more volume. Right now, it's probably the best deal among the top affiliates."

Looking further down the line, Hatherly finds there is certainly one option looking brighter than the other, despite one currently enjoying more success.

She says: "In 2019 and beyond, I think revenue share will be the most popular model. This is mainly due to the brands being more careful as to whom they give a CPA deal, due to there being so many fraudulent affiliates out there.

"I don't think CPA deals will ever die out, but as time goes on, I think they will become less and less popular and harder to agree with brands.

"Hybrid deals are personally my favourite model, as they bring the best of both worlds. You know the minimum income you will make from the CPA amount, and then also benefit from the revenue share you can make from high-depositing players."

If you decide to build a site which supports customers who come through affiliate links to increase their engagement, and you are looking long-term, the revenue-share structure appears to be the right model for you.

The safer option, or more preferable, appears to be the hybrid, having the best of both worlds while businesses test the water. However, for the vast majority of affiliate programs, you will need to prove your business and its worth before you can secure a hybrid deal.

It looks like CPA may be entering a difficult era, as the model faces a level of uncertainty in 2019.

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# WHERE WILL THE TRAFFIC GO?

Industry experts help **Matthew Enderby** analyse the effect tight advertising law will have on player traffic



Gaming laws are tightening across Europe, as regulators look to clamp down on advertising and remove gambling from children's line of sight. Italy's blanket ban has swept across the country, operators in the UK have agreed to stop showing betting ads on TV before the watershed during live sport and new markets provide more opportunity for authorities to tighten the screw. Despite the difficulty of compliance, there are benefits to embracing the change. Affiliates who are quick to do so will put themselves in the best position, but will strict regulations push the market in different directions?

Gary Myers, Head of Affiliates at Betsson, told *Trafficology*: "Regulation is now becoming the norm, and affiliates are realising there's no way of escaping this. My sense is those affiliates that want to stay in the industry are adapting and that those that don't are looking for an exit.

"This is providing some great opportunities for some of the larger affiliate groups that have hoovered up many affiliates over the last 12 months."

In the UK, gambling companies within the Industry Group for Responsible Gambling (IGRG) have agreed to ban TV ads on all sporting events, except horseracing, before 9pm.

As major operators in the UK make this commitment, attention turns to the smaller businesses and whether or not they will be able to keep up with tighter regulations. Myers said: "I don't see why not, providing they have the time and ability to deal with any additional requirements.

"It's a question of understanding the rules, and while it may take time for affiliates to get up to speed on specific requirements, once they're used to this, it will become second nature."

But not all of the rules gambling businesses have to follow are explicitly clear. In Italy, a blanket ban has been put in place to cover all types of gambling advertisements. This includes indirect advertising, stirring further regulatory issues; what exactly is indirect advertising? The problem is the answer remains ambiguous.

Myers said: "I think there's still a lot uncertainty over the meaning of the regulations and how they will be implemented in Italy, and most operators are looking for further guidance." Another major operator has been outspoken against these laws. LeoVegas Italy Managing Director Niklas Lindahl said: "The rest of the world only looks at Italy as an extreme example. The current government has this dream that this will be an example for the rest of the world and that many of the European countries will follow their "great example," but that is not the case. Other countries just look at Italy and think once again Italy has taken extreme action without any sense, so it's not going to be exactly as the government hopes. It's an insane law that goes against the recommendation of the European Union."

With operators struggling to understand the fine details of the new laws, it will be even more difficult to embrace the changes and benefit from them.

Belgium is another European country to bring in restrictions on advertising, but they are not as tough as those in Italy, says Philippe Vlaemminck, Belgian gaming expert and lawyer.

Vlaemminck said: "Belgium's approach is quite reasonable compared to Italy's total ban. Many Italian operators say they may as well cancel their marketing departments and fire all their marketing people – because they can't even have business cards anymore.

"We know Bulgaria and Latvia are also considering far-reaching restrictions, we know the Gambling Commission in Great Britain is looking into it and we can see a negative attitude towards gambling advertising in general across Europe.

"There is at least a very big concern from regulators about uncontrolled advertising. Belgium is no different, except for the fact there is a balanced discussion due to the government being composed of different political parties."

### THE BENEFITS OF EMBRACING CHANGE

The updates to legislation will force new routes to accumulating player traffic, but there are benefits to working with authoritative bodies. At SiGMA 2018, affiliate executives discussed the future of the industry under these new laws.

Itamar Ronen, Chief Revenue Officer at Cellxpert, believes the opportunity lies in quick thinking. He said: "I think that one of the biggest opportunities is playing the regulated game. It's going to be a first-comers market.

"Those who embrace the regulation in specific areas will get the majority of the traffic, and they can hold that for a certain amount of time and make big money on that. Later on, they will have the second-comers and the market will be more competitive. But those who embrace the regulated market first can make a big move here."

Alex Munteanu, CEO of AXL Affiliates, was quick to offer a warning and thinks these changes will push player traffic into the wrong hands. He said: "I think Italy is not the best example.

"They recently introduced this policy where the whole advertising on sports betting, casino and gambling will be forbidden next year. So we don't want to go that far, or that extreme.

"They are basically destroying the whole industry, and by doing so, they are allowing unlicensed companies the opportunity. That's why I'm afraid of introducing all of these policies and all these restrictions; the only companies to gain a direct advantage are unlicensed operators."

Myers disagrees with Munteanu. He said: "They will need to adjust to the changing environment and accept that they will need to play ball.

"There's no shortcut to this, and it will mean understanding the requirements for the different markets and making changes accordingly.

"Unfortunately there's no magic fairy dust that will make this disappear or make affiliates' lives any easier."

### WILL TRAFFIC BE PUSHED OFFSHORE?

With regulations taking effect in 2019 and advertising landscapes changing shape, will player traffic end up with offshore affiliates?



GARY MYERS

**“AFFILIATES NEED TO EMBRACE THE CHANGES WITHIN THE INDUSTRY, JUST LIKE THE OPERATORS HAVE HAD TO DO. IT WON'T NECESSARILY BE EASY, BUT THOSE THAT TAKE THE CHANGES SERIOUSLY WILL HAVE PUT THEMSELVES IN PRIME POSITION TO REAP THE REWARDS IN THE FUTURE.”**

**– GARY MYERS**

Myers does not think so. He said: "I'm not sure it will. I think the brands that will be most successful are those that build their brand within a regulated market. Customers, on the whole, want to play with brands they trust, and only those that have a license will be able to market themselves through all available channels within a regulated market.

"On the affiliate side of the business, I think you'll see affiliates preferring to work with licensed operators, as not doing so will potentially bring a risk to their business.

"Affiliates need to embrace the changes within the industry, just like the operators have had to do. It won't necessarily be easy, but those that take the changes seriously will have put themselves in prime position to reap the rewards in future."



# AFFMORE: THE PIE WILL BE SHARED WITH FEWER AFFILIATES

**Robert Reinikainen**, Co-founder of affiliate program AffMore, discusses recent highlights and future industry developments with *Trafficology's* **Matthew Enderby**

#### **What was your background before AffMore?**

I had my own marketing company for a while, before the casino business, and I worked at a few different companies here in Malta. Further back than that, I was playing poker and that is, more or less, my gambling history.

#### **What have been AffMore's recent highlights?**

It was a highlight, I would say, to get it up and running, because it was our own. That's the biggest highlight and achievement so far. We did it really fast; it was basically made by one tech guy and it took two weeks. He was already working full-time at another company and he did it in his evenings.

I was surprised by how quickly it was done. Of course, there was a lot of developing after that, but we did manage to get it working so affiliates could use it within a couple of weeks.

That was definitely a highlight, but now, we have four casino brands, and whenever we launch a new brand, that is a highlight. We are currently waiting for our Swedish license [at the time of interview] and will launch a specific brand for Sweden when we get it.

#### **How important is it for affiliates to develop a personality to interact with consumers?**

In 2012, I was working for another affiliate company and I don't think there were any affiliates back then who would actually have a face, so to speak. They had their site, and that's it.

I think the importance of this has grown a lot recently, with the emergence of Twitch and all kinds of different channels. You actually have a real person talking and writing about the games. It really seems it's all moving in this direction.

Bryan Bailey from Casinomeister was one of the guys who started this trend. For those guys, it was important even back then, to say what they think and put their name on it.

#### **What are some of the common mistakes affiliates make?**

I've noticed a few of them have stopped working when they reach a certain level. This was more of a trend a few years ago, when it was relatively easy to get into good positions. They

would then work less and not develop the products they had. I would say that's a mistake; well, I don't know if it's a mistake, but it's definitely a trend.

#### **To what extent will upcoming advertising regulation affect the affiliate industry?**

These days, when you buy real advertising on media websites or TV channels, the competition is even harder for affiliates. Relating to the previous question, if affiliates are laying low or not developing their sites in the past few years, it's now harder for them to keep going, but if they have been doing so, great - they can easily compete with media advertising. The thing is affiliate traffic is a bit different than media traffic. If you get a customer from a newspaper advertisement, it might cost more, but the player is not polarised for the industry yet. In general, I would say the value of a player is much higher if you get it from a source other than affiliates.

**THESE DAYS, WHEN YOU BUY REAL ADVERTISING ON MEDIA WEBSITES OR TV CHANNELS, THE COMPETITION IS EVEN HARDER FOR AFFILIATES**

#### **How do you see the affiliate market evolving in the next few years?**

I would say it goes a bit like the casino market; the big ones will get bigger. There will be fewer affiliates, but they will be bigger and more valuable, and I think the same will happen with casinos. There won't be too many big ones rising anymore; the whole pie will be shared with less affiliates and casinos. That's what I think will happen.

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# THE FLEXIBILITY OF SUCCESS

Wunderino Head of Acquisitions **Sam Kyller** speaks to **Tim Poole** about CPAs, M & A and the important affiliate trends of 2019

## Can you tell us more about Wunderino's affiliate programme Wild Affiliates?

It was launched two-and-a-half years ago when Wunderino launched. The main target market from the beginning was Germany; we've experienced a tremendous amount of success there. We are now splitting our focus and trying to take on Asia – specifically Japan.

## What is appealing to partners about the programme? How many partners do you currently have?

We currently have a little more than 1,500 partners registered. Obviously, not all of them are promoting us at once, but we have a large amount of active affiliates. What's appealing about our programme is partners get to promote a very known brand in the market. We're really optimising our product to help conversion and conversion is one of our absolute strongest points and why affiliates like to work with us. Obviously, we always try to be flexible, open and transparent, to make sure affiliates want to work with us on a long-term basis.

## You've favoured a revenue-share programme over CPA. Why is this?

I wouldn't say we favour revenue share over CPA in general. When the programme was first set up, we had just launched the brand. As a new casino, cash flow is extremely important. When you go with revenue share, the likelihood of getting your cash back quicker than through CPA is a lot higher. CPA usually takes a few months to recover the costs, even though there are a lot of benefits to using CPA, as you don't have to pay for the player for the rest of their life.

Right now, we're open to all kinds of commission structures. Of course, the catch is both we and the affiliate need to gain something from it and we both need to be happy, because otherwise, it's not going to be a long-term partnership.

## What are the chances CPA could become more popular again in the affiliate market?

What most affiliates want is a hybrid; then they get the benefits of CPA and revenue share. A lot of affiliates see CPA as a chance to re-invest, as they get money quicker than through revenue share, even if it's more damaging long-term, but then they switch to revenue share later. CPAs are increasing as the market is becoming more competitive and I think it will go further in that direction.

## What would you say is the biggest challenge facing affiliates right now?

Both regulation and competitiveness are the two biggest challenges affiliates are facing. A lot of affiliates know about their challenges better than operators, but if there's something we can help with on our side, we always try to be flexible. If they succeed, we succeed. Finding new markets, new sources and staying compliant is my take on the biggest challenges affiliates are facing.

## How important is M & A in the modern-day affiliate industry?

It's very important, because it generates money into the business and helps everyone grow across the board. It also gives affiliates something to work towards. If affiliates see others sending a good,

but not massive amount of traffic, receiving tens of millions of euros for their businesses, it's going to keep driving the market forward.

## What will be the most important affiliate trends in 2019?

As we saw in 2018, it's a bit boring, but regulation will be a big part of the day-to-day work. But I also think it will shift some focus from so-called classical European markets such as the Nordics and the UK, to more exotic markets in Asia, South America and the US. Finding new markets and the right operators to work with within those markets will be very important for this year.



## ON THE LIGHTER SIDE

### What's your favourite thing about the gaming industry?

All the people. It might sound a bit cliché, but you get to meet a lot of amazing people, especially within the affiliate sector.

### What are your favourite activities away from the gaming industry?

Playing golf, watching football and lying at a beach – preferably with a glass of wine.

### What's the best job you've ever had?

This one, for sure. I don't have tons of previous experience so I'm super happy I've been given the chance to do what I do here; growing with this company and seeing it become very, very big from nothing.

### What's the worst job you've ever had?

My first ever summer job when I was 14. I was planting trees in the forest. Eight hours of walking around in the forest, planting trees when it's super hot – I'm glad I'm not doing that anymore, even if it was an amazing experience.

### What piece of advice would you give yourself starting out?

Work hard, be transparent and like what you're doing.



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# PLAY HARD

LeoVegas Co-founder and CEO **Gustaf Hagman** speaks to **Tim Poole** about everything from lifts to elephants, while also telling the story of what happened when he met Richard Branson

secretary but, after a couple of very silent seconds that felt like minutes, he said: "Well, I don't think so Mr Hagman." He then told me to send my proposal by email to him instead. That was the last thing I heard from him.

## IF YOU HAD TO BE STUCK IN A LIFT WITH SOMEONE FOR 24 HOURS, WHO WOULD YOU CHOOSE?

It would be nice to spend some alone time with my wife. Stuck in a lift is maybe not the ideal place for alone time but, hey, I'm not picky.

## YOU'VE BEEN GIVEN AN ELEPHANT. YOU CAN'T GIVE IT AWAY OR SELL IT. WHAT WOULD YOU DO WITH THE ELEPHANT?

LeoVegas is sponsoring a wildlife sanctuary in South Africa so this would be the perfect spot for the elephant. They could borrow the elephant, so I'm not selling or giving it away.

## WOULD YOU RATHER LIVE LIFE IN CHRONOLOGICAL ORDER OR DECELERATE IN AGE THE LONGER YOU LIVE, LIKE BENJAMIN BUTTON?

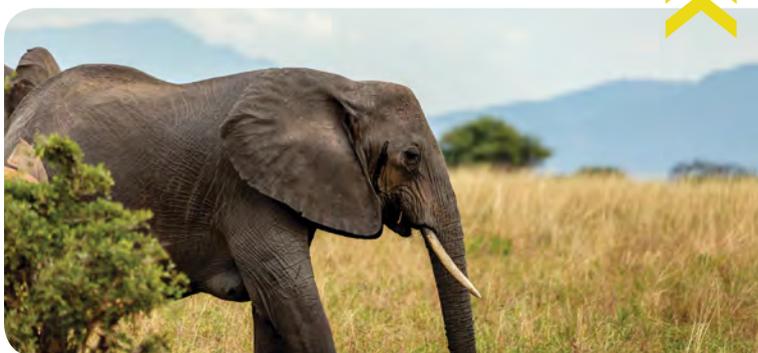
I'm fine with chronological order. The Benjamin Button style seems too complicated, especially if I would be the only one getting younger by the year.

## WHAT IS YOUR PREDICTION FOR THE FINAL SEASON OF GAMES OF THRONES?

As the most recent season of Game of Thrones moved way beyond the books, I think all bets are off. Everything can and will happen. Maybe all the characters will come together and face a common enemy? April is coming.

## WHAT WOULD YOUR AUTOBIOGRAPHY BE CALLED?

Something cheesy and gaming-related. ◀



Gustaf Hagman co-founded LeoVegas almost eight years ago now. Since then, it's been a long and fruitful journey for both the company and exec alike.

That journey includes reporting Q3 2018 revenue of €78.6m (\$90.3m), ambitions to expand into the Spanish market in 2019 and the takeover of esports betting firm Pixel.bet last September. In January 2018, the online casino and affiliate operator was formally approved for listing on the main Nasdaq Stockholm regulated market. Meanwhile, in Italy, it continues to fight against the Dignity Decree's gambling advertising blanket ban.

During Hagman's time as Group CEO, it's clear the firm has made great strides within gaming. LeoVegas however, was far from Hagman's first entrepreneurial venture. Prior to 2011, he founded Eurobet Nordic and headed Net Gaming.

But what fuels him outside the boardroom? After all, those running gaming companies still have a life to lead outside work, whether that involves working out at the gym, placing the odd wager on their favourite sports team or simply watching Netflix.

In the latest in our series, Hagman talks to *Trafficology* about elephants, lifts, Benjamin Button and Game of Thrones. There's also a fun story involving Richard Branson that proves even company supremos don't always get things their own way.

## WHAT IS THE STRANGEST EXPERIENCE YOU HAVE EVER HAD AS A CEO IN THE GAMING INDUSTRY?

About 15 years ago, when I was funding one of my previous gaming ventures, I was challenged by my colleague to call Richard Branson to ask for an investment. So I started to chase Richard. It took about three weeks until I got hold of him. I had a plan.

I knew I would just get a couple of minutes of attention, so I figured I'll make a quick elevator pitch and then I'll tell him: "I have availability in my agenda next Friday for a meeting." Of course, I'd already checked his availability with his

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