



Sportsbetting in Demand

The emerging demand for sportsbetting reflected in market trends during the FIFA World Cup 2010.

When PartyGaming released an update on its financial performance during the second quarter of this year, the results were a little surprising. The leading online gaming operator said that it had to revise its financial outlook because of the World Cup's impact on its business. While the sportsbetting margins of PartyGaming were higher than expected, non-sportsbetting products were adversely affected.

PartyGaming wasn't the only operator to feel the change. Sportsbooks around the world have attracted large numbers of high-volume sports bettors and casual sports fans for intense betting during this summer's World Cup, albeit, at the expense of traditional gambling products such as casino and poker. In June, international estimates for wagering volume reached as high as \$2 billion.

Why is sportsbetting getting hot?

Will it keep focusing the players' attention? No prediction is accurate, but there may be some early signs pointing to that direction.

As reported by the independent research and social marketing agency, Greenlight, sportsbetting witnessed a significant increase in June this year. The figures that Greenlight obtained reveal that the number of UK consumers who search the Internet for sportsbetting opportunities rose by five percent in June compared with March this year.

Of note, casino and bingo searches slightly declined. Online gambling consumer search in the UK went down to 2.3 million from 3 million in March. Echoing this European search trend were figures from Macau, the Asian gambling paradise. June 2010 casino revenue was recorded at \$1.7 billion, which industry insiders said was significantly down compared to May 2010. Online poker, traditionally the most lucrative market segment, also took a hit this year. Not only has the number of poker players dropped by 25 percent industry-wide between January and July, but also, demand slumped during the World Cup.

While the sportsbetting industry hasn't yet taken off on a grand scale, June was obviously an important month. The popularity of sportsbetting-related searches can be explained by the major sporting events which took place in June - Wimbledon and the FIFA World Cup, according to Greenlight researcher, Simon Hollingsworth. He also added that it will be interesting to see how

this will evolve over the coming months when the football season is in full swing.

The casino revenue drop in Asia was accounted for by similar reasons. The Deutsche Bank analyst, Karen Tang, was quoted as saying that the trend was expected to peak in early July when the World Cup entered its final stages. Other industry

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commentators also agreed that the World Cup betting appeal was so great that the tournament managed to lure a decent share of money away from the other gambling products.

Why is sportsbetting gaining appeal?

A change in the users' gambling habits provides one explanation. In the wake of the Internet revolution, every player started using the Web. Internet casinos have been in active use for over ten years now. After going online, the games have become uniform in terms of their feel even if they were made top-notch in terms of quality.

Players got fed up with the same thing and grew indifferent. As they seek to regain their thrill, they start going for gambling alternatives. Sportsbetting is considered a very attractive one.

As demand for sportsbetting appears to be growing, technology, too, is playing an active part in the process. Thanks to the low set-up and operating costs and the high payoffs, online betting is booming. Industry analyst, Christian Capital Advisors, estimates that the wider industry will exceed \$170 billion by the end of 2015. It is expected that 80 percent of the revenues will come from online sportsbetting. This is a considerable increase from the 30 percent share that sportsbetting revenues currently account for in the wider industry.

In the years to come, live betting will gain pace taking an increasingly larger share of the online sportsbetting market. Online gaming company,

Sportingbet, announced that the increased popularity of live betting helped its revenue grow by 27 percent year over year. Live betting accounted for 61 percent of it, up from 56 percent last year.

The growth potential of live betting is still huge, according to the Media and Entertainment Consulting Network (MECN) in a recent industry

report. The operators have started investing in sports broadcast rights so they can develop a more compelling live betting offering. As they are becoming sports events broadcasters themselves, live betting will continue to gain in consumer appeal.

Live betting has already started picking up speed and as it stands in the market now, it will soon dominate online sportsbetting, according to the MECN report. For the time being, live betting has become the centrepiece of various sportsbetting solutions that have recently hit the market. Willing to jump on the sportsbetting bandwagon, operators are progressively adopting them. ■



Igor Vaisman is the CTO of Sports Betting Tech. Sports Betting Tech provides betting businesses worldwide with a turnkey solution covering all their needs. A rapidly growing iGaming software developer, the company offers a platform that ensures the flawless operation of a fully managed sportsbook. Sports Betting Tech offers real-time trading and risk management, a live betting platform with 30+ types of live bets and 150 live games every day, and over 100 bet types on more than 30 types of sports.

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