



The Stade de France in Paris will host the final of Euro 2016

Betting bonanza

This year's Euro 2016 tournament will be the biggest European summer football event in history. **INTERGAMINGi** talks to some leading figures in the world of sports betting about the 'Euros factor' – and gets some predictions for the tournament itself



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E NGLAND, late June, 1996. German midfielder Andreas Möller strikes a pose in the Wembley penalty area having just launched his team's sixth penalty into the top corner of the goal, past the helpless England 'keeper, putting his country through to the final of Euro '96 in the process.

Germany rejoiced while the host nation turned away. Nobody looked at their mobile phone.

A mere two decades on and the nature of the interest in a European Championship semi-final has, beyond the backing of one's own team, changed beyond recognition. Now, punters would've cashed out on an England win moments after Alan Shearer gave the hosts the lead. Others would bet in play on the likelihood of penalties or on the lengthening odds of a German tournament victory as England appeared to turn the screw during extra time.

This summer, 24 teams will gather in France between June 10 and July 10, playing 51 games across 10 host cities. It is the biggest "Euros" ever and in betting terms, it will be the largest and most exciting summer European football event to date.

Ahead of the championships, **INTERGAMINGi** talks to a wide selection of sports betting industry experts to garner their views on this summer's betting landscape – and to get some predictions for the tournament itself. Look out for a couple of famous names offering their own views on the France showpiece.

BERNARD MARANTELLI,
CEO, COLOSSUS BETS:

"The big challenge is reactivating new players come August, as many of them will drift away in the weeks between the Euros and the new season."



INTERGAMINGi: How important is a tournament like Euro 2016 for the sport betting industry in terms of acquiring new customers?

Bernard Marantelli, CEO, Colossus Bets:

"While I don't have the same level of experience here as well-established incumbents, the anecdotal evidence is that the big football tournaments attract a lot of new punters who are 'sticky' during the tournament.

"It is obviously a once in every two years opportunity [including World Cups and Euros], so marketing plans and budgets are long since drawn up in anticipation. The big challenge is reactivating these new players come August, as many of them will drift away in the weeks between the end of the Euros end and the start of the new football season."

Michael Maerz, managing director for betting, Sportradar:

"A high profile, high engagement competition such as this year's European Championships is

the perfect showcase for a 360-degree operator supplier such as Betradar. The tournament allows us to root some of our most popular services and our most exciting innovations in an event that will only heighten interest for football bettors worldwide.

"Operators want to use this shop window to attract and retain new customers. Our suite of products is just the ticket to enthrall both long-standing and new customers for operators worldwide."

David McDowell, CEO, FSB Technology:

"Big flagship sporting events are always important, and the only thing bigger than a European Championships is a football World Cup. Operators have a huge opportunity, therefore. But in order to make the most of their inevitable marketing spend they need to have a platform that allows them to differentiate their offering and segment their players depending on their needs.

"The industry will be moving away from the standard free-bet offers and will make more use of price-boost offers to attract new customers. Price-boost tools are even more important to anyone on a managed sports betting platform, where there is less opportunity to differentiate on price."

Tom Light, vice president of business development and commercials, SBTech:

"During big events, such as the anticipated Euros, a common trend is seeing many 'non-punters'

sign up to a sportsbook to bet. For example, the multi-product operators, who can cross-sell sports betting to their casino and poker players, efficiently utilise the overall 'noise' made during the Euros as a free marketing tool for their sports product.

"We even see a tremendous growth among first-timers, as they are exposed to various sportsbook TV commercials and advertisements published around the dates of the matches, across the same channels."

Richard Huggan, head of sports analysis, Strategem:

"The Euros are always an opportunity to attract not just bigger but also more diverse audiences. From a B2C perspective, it presents a unique opportunity to market to new customers, whereas on a B2B level, it provides fertile ground for fresh approaches to content to engage these customers by, for example, sharing sports betting headlines directly connected to the markets you want to grow (by bet type and geography)."

Jeevan Jeyaratnam, senior trading and compilation, Super Soccer Oddsfeed:

"Major summer tournaments fill an unwanted void in the football calendar. Of course they offer much more than just 'filler', but primarily their importance can be articulated in this way. The majority of the inevitable revenue boosts are likely to come from existing clients, but unquestionably there will be a race to attract new customers. There will be some very attractive loss-leading offers to entice customers to spend their hard-earned at a particular site."

...and how important is the event in terms of a direct boost to revenue?

Maerz, Sportradar: "We have taken our existing favourites and customised them to the Euro 2016 format, ensuring that those customers who are looking for a product that taps into the excitement of this summer's tournament can call upon Betradar's innovation as well as credibility.

"For example, our virtuals offering will include a Euro version that will reflect the format, teams and form of the competition. Our European Championship Live Centre will provide all the information, statistics, probabilities and odds that any operator will need to ensure that they can harness all that engagement and turn it into bets."

Huggan, Strategem: "Euro 2016 can mark the beginning of new, lasting customer relationships, as long as providers can create a thread between the Euro offering and their offering for the rest of the year.

"Stratagem offers a sustainable 'content marketing' approach to sportsbooks. Our approach combines differentiated, targeted football data and analysis with a consistent delivery experience that can be extended to all the main leagues and competitions of the year."

Jeyaratnam, Super Soccer: "Undoubtedly a major tournament will boost revenues and this newly expanded competition is no different. This edition of the European Championships will feature the highest turnover figures ever seen, as the controversially elongated nature of this year's

finals mean a longer and bulkier summer feast.

"For UK-facing sportsbooks the measure of how great the increase in revenue will depend largely on the progress of the home nations. All operators will be looking to cash in on the, often misguided, patriotism of their punters."

McDowell, FSB: "The same applies to revenues. Operators need to make the most of their data feeds and trading tools in order to present the best customer experience. At FSB we'll be trading every game ante-post and in-play for 12 different brands including Genting and Dafabet, each with their own individual requirements.

"Smaller operators are going to need to be careful not to give it all away by trying to match the aggressive promotions that we expect to see from the larger operators who are looking to grab headlines."

Light, SBTech: "This is a controversial point - as a wider and more exciting offering will attract more punters and more bets, surely increasing the turnover. But in many cases, the revenue will drastically drop during these big events, as they tend to be more result-driven; which is a big risk for the operator, as they can lose millions.

"A good way to mediate that risk, while providing an excellent user experience, is through 'fast markets', which are the immediate bet markets. For example, 'What will happen in the next one minute?' which are completely independent from the overall result, which essentially is 'spreading the eggs in various baskets'."

Marantelli, Colossus: "Speaking personally, for Colossus it should be significant in terms of revenue. We will have lots of incremental spend in our pools. Nearly every day will be like a normal Saturday with a £1m-plus pool kicking off. There isn't really any other operator offering lotto-sized pools products, so we don't need to be overly aggressive on promotions and offers. A depression in the margins achieved by sportsbooks more generally is a big challenge, as the event risks becoming a marketing arms race for the industry."

Will we see any changes in the way people bet on Euro 2016, compared with past tournaments?

DAVID MCDOWELL, CEO, FSB TECHNOLOGY:

"Cash-out has also spread like wildfire over the past two years and will be used more and more, particularly towards the latter stages of the tournament"



Huggan, Strategem: "We would expect to see an extrapolation of trends currently observed across the industry - so yes, increased in-play activity, cash-out options and more exotic bet options - fuelled by higher liquidity.

"The important point here is that for this activity to be translated into a profit story, providers will need to make choices regarding what markets to promote and focus their message accordingly. So the other change we see in the way people bet is that they increasingly trust in content versus 'loud' marketing messages

- the latter will continue to generate online traffic spikes but the former will encourage new users to actually place the bet - and ultimately generate defensible marketing ROI for budget holders."

McDowell, FSB: "In-play was already well established during the last World Cup, but I'd go as far as to say that punters now expect it as standard. Demand for cash-out has also spread like wildfire over the past two years and will be used more and more, particularly towards the latter stages of the tournament when things start to get exciting, or stressful, depending on how you look at it.

"As a result, I'm delighted that all of our licensees will have access to our new cash-out product. Personally, I'm less keen on partial cash-out right now, as you are asking the consumer to make two decisions rather than one and at FSB we have been working hard to simplify the user experience rather than make it more complex."

Jeyaratnam, Super Soccer: "The cash-out trend is likely to see the largest growth, in-play wagers have been part of the punters' arsenal for some time but the realisation that a profit can be taken before final whistle will be a huge factor this time around. Sportsbooks will be pushing this heavily on their digital channels.

"Of course any bets the bookies promote are generally bad news for punters and cash-out is no different. Expect to see many TV adverts pushing 'score and win', 'correct scores' and 'goalscorer' bets, steering punters towards the juicy high-margin products. Don't expect to see any promotion of lower-margin products like Asian handicaps, where the bulk of money will be traded, laying the foundations for the prices the recreational punter will be offered."

Light, SBTech: "Cash-out will be the one to lead. Throughout 2015 it came over the top expectation-wise and will get the biggest boost during the Euros, as it will be exposed to a broader audience. The cash-out is beneficial for both the operator and the punter in numerous ways.

1. Allowing the punter to regret and feel comfortable betting bigger stakes.
2. Allowing the punter to ensure the win.
3. Creating a guaranteed margin for the operator.
4. Doubling the turnover, as it results in additional bets from the winnings.
5. Enticed the punter to log in to monitor the cash-out, which creates additional sessions converting into additional revenue.
6. Since cash-out is mainly activated when winning, it creates additional margin to the operator by eliminating a portion of potential player winnings.
7. The operator on the other hand can create cross-selling tools for losing cash-outs. For example, on a €100 bet and a losing option to cash-out for only €20, an operator can offer €50 (half the original stake) in 'casinomoney' to be wagered 'x' times."

Marantelli, Colossus: "I don't think you will see anything dramatic but if you consider the areas of obvious growth since the World Cup in 2014, you are likely to see all of the following hitting

new records in terms of usage/coverage: in-play betting; partial cash-out; multi-leg accas/pools; free-to-play games; 'instant' betting and of course mobile.

"Another area of growth could be 'index'-type bets offered by the likes of Buabook, and Football Index. I'm also sure daily fantasy sports operators, led by DraftKings, will be making a big push for retail spend on the tournament."

MICHAEL MAERZ, MANAGING DIRECTOR FOR BETTING, SPORTRADAR:

"In-play will remain the focus, with bettors looking to get that additional insight that stems from that real-time analysis."



Maerz, Sportradar: "In line with developments to date, in-play will remain the focus, with bettors looking to get that additional insight that stems from that real-time analysis of the footage and statistics as the match progresses.

"We also envision cash-out playing a significant role, not just in-play but also pre-match, with outright winner, group winner, to qualify markets being particularly popular."

TOM LIGHT, VICE PRESIDENT OF BUSINESS DEVELOPMENT AND COMMERCIALS, SBTECH:

"Sports betting is a 'per minute-business' - creating more minutes/events will result in additional turnover which may result in additional revenue."



Does an expanded tournament (24 teams/51 games) mean added revenue and new accounts from nations qualifying for the first time?

Light, SBTech: "Sports betting is a 'per minute-business' - creating more minutes/events will result in additional turnover which may result in additional revenue. We see this when we are A/B on the number of event offerings - the more in-play events, the more the turnover grows."

Jeyaratnam, Super Soccer: "Not sure there are many operators wishing to see a rash of new accounts from Albania but inevitably the inclusion of Republic of Ireland, Northern Ireland, Wales and England will result in masses of media coverage in these betting crazy countries. Increased regulation in some European territories mean bookmakers must be careful.

"By way of example, Portugal and Belgium have imposed regulatory clampdowns since the last major tournament and firms without licences in these regions will be unable to take advantage any potential new business originating from them."

Maerz, Sportradar: "What is interesting is that a healthy number of the nations qualifying for the first time would have qualified even if the tournament had been limited to 16 teams, so actually, some of the more traditional contesters for the Euro trophy were lucky that the

tournament was expanded for 2016.

"Having said that, 24 teams does mean at least 24 countries heavily invested in the tournament with bettors looking to challenge their insights and instincts. So 51 games should definitely mean more turnover in general and if operators secure a consistent margin across those matches, more revenues will surely follow."

Marantelli, Colossus: "Heightened interest from nations who in the previous format would not have qualified may be a small factor in increasing betting activity, but it will also bring into the mix more biased games than would be the case in previous tournaments.

"I feel this will see some migration from 1x2 betting to multi-leg acca/pool bets."

RICHARD HUGGAN, HEAD OF SPORTS ANALYSIS, STRATEGEM:

"Regulatory barriers aside, there is definitely an opportunity to reach and educate new segments, as well as build the image of sports betting as a legitimate recreational and investment activity."

Huggan, Strategem: "Yes in theory. But I would temper this expectation with the fact that we still operate in a very fragmented market, where access to sports betting and ancillary services is by no means equal for all across all territories. Regulatory barriers aside, there is definitely an opportunity to reach and educate new segments, as well as build the image of sports betting as a legitimate recreational and investment activity, depending on where you sit on the spectrum.

"Along the same lines, it would be good to see the tournament acting as a catalyst for a more global approach that can benefit both the market participants and the end consumer in terms of service quality and transparency."

McDowell, FSB: "Where those nations have regulated markets almost certainly. We're focused on the UK market first and foremost and it will be interesting to see how patriotic Welshmen back their team in their first major tournament in over 50 years.

"Having just launched an online and mobile betting platform for popular Belfast-based bookmaker Toals we're particularly interested in seeing how Northern Ireland gets on too."

So how might this marketing opportunity be maximised?

Marantelli, Colossus: "Acca-type bets are generally higher margin, with cash-out on those bets providing the operator with a second revenue stream on the original bet. I expect there will be some great social media stories about players cashing-out for big sums on multi-leg bets, especially on bets which subsequently go on to lose.

"A number of punters have emerged in recent weeks with five-figure cash-out offers from small pre-season bets on Leicester City to win the Premier League. This is great exposure for the operator in each case and I'm sure we will see some of these stories emerge in the Euros."

Huggan, Strategem: "Scalable campaigns that can be disseminated across marketing channels and borders without multiplying your marketing budget. For Euro 2016, we invite operators to opt for discussion-worthy content and build social capital for the future."

Maerz, Sportradar: "As mentioned above, the Euros are a non-annual opportunity with high engagement that must be maximised. Operators should look to reactivate dormant customers as well as activating new customers. Our European Championship Live Centre will ensure that operators can offer their customers a fully customised platform that gives them the full suite of relevant information and statistics, all in easy to digest visualisations, all in real time.

"The real challenge will then be whether operators can retain those customers beyond the summer, and it may well be that promotions and bonuses will be critical."

Jeyaratnam, Super Soccer:

"The prevalence of individual player data and increased TV coverage of foreign football are two beneficiaries of technological advances in the last four years. Expect punters and bookies to be even more aware of the skills and limitations of players like never before.

"As goalscorer compilers, this is something we are acutely aware of and we expect demand for player markets, in even the most dreary of group games, to be high. We'll be putting in even more pre-tournament homework in order to keep one step ahead of increasingly knowledgeable punters."

McDowell, FSB: "There is no single magic bullet. Marketing and trading teams need to be well coordinated in their use of both acquisition and promotional offers, and many operators struggle to innovate on this front.

"Customer segmentation is growing in importance as the industry moves away from the one-size-fits-all offers that currently dominate. Knowing what your customer wants to bet on, presenting them with opportunities to do so, and bonusing them individually are all important factors in acquisition and retention.

"I think bespoke promotional markets that help operators stand out from their competitors will also be a key battleground. Our licensees now have price-boost technology and an ability to take promotional positions on the key games if they want."

Light, SBTech: "The main thing we need to take into consideration is that usually the average punter, in the big events, will focus on one match, thus we need to offer relevant features such as live streaming, fast markets (allowing the punter to bet on the same match throughout the entire 90 minutes), and additional derivative markets.

"In addition, the ability to combine bet markets within the same event, so that the 'combo' lovers would be able to create an accumulator while focused on one event.

"Finally, a strong mobile and tablet offering. The punter needs to 'live the live game' anywhere at any time. We expect to see more than 70 per cent of the Euros turnover on mobile."