

WORLD CUP ROUND TABLE

With every World Cup exceeding the last in terms of betting volumes and a significant evolution in the product map since 2010, **Suren Khachatryan** of BetConstruct, **Richard Hogg** of Betting Promotion and **Itai Zak** of SBTech give their views on the main challenges and battlegrounds for operators in a special round table.

What are the main challenges presented by this summer's World Cup and how can operators best prepare themselves for all eventualities?

Suren Khachatryan: As with any event of this magnitude, and it doesn't get bigger than this, operators will be presented with several challenges, however they will have to ensure they manage the following:

- Infrastructure – there can be no downtime during the four-week event. Operators will have to be all systems go and rigorously test their systems and failsafe protocols should any technology fall down
- Cope with the volume – ensure you have the right technology in place to manage large volumes of traffic
- Maximum coverage across key territories – every angle of every pre-match and in-play market must be covered. There is no room for error
- Retention not just acquisition – the World Cup is often seen as a purely acquisitive event. When most bookmakers will be focusing on this, they must ensure they have a post-tournament retention strategy in place
- The right offers – how will you differentiate and stand out from potentially the most crowded betting space since the World Cup began? Ensure your marketing team is fully prepared and ready to react to any events on and off the pitch. With the surge in mobile and tablet usage, along with the significance of social media, sending out the right messages and offers in reaction to real-time events will be key.

Richard Hogg: The main challenges operators are going to face during the

World Cup will be standing out from its competitors. We know that every operator will be looking to target existing and new customers with an abundance of offers presented to them all over the media. Some of the larger companies have extraordinary budgets. In addition, operators are going to have to be innovative in their ability to make money from games which are more one-sided. There are a limited number of games and thus opportunities will be minimal.

Itai Zak: Operators must deliver a continuous stream of quickly settled in-play bets during the match, with rapidly updated odds as the game progresses. They must meet the huge surge in demand expected, and cater for the needs of both veterans and new punters, drawn in by the ease of live betting to this global event. Technological advances will make an increased diversity of innovative live bets possible, broadening online betting's appeal and increasing turnover. For example, five-minute markets allow players to rapidly place a bet and see it settled many times throughout a game. This wider variety of bets will give punters a richer, more vivid overall experience of live betting, accentuating their sense of excitement and involvement in watching the match. Great experience is a must across all verticals, especially mobile and tablet. Mobile is already the main channel, generating 50% of turnover for some operators. A successful mobile platform must have a full cashier, account management tools and all the important web functionality translated into fully optimised interfaces. Eventualities have

great effect in events like the World Cup where few individual events generate huge turnover. Good pricing and effective risk management is essential to maximise profit in any given match outcome. Offering a variety of recreational bet types is also important to create less risky, more profitable turnover.

How can operators find an edge in such a competitive and saturated UK sports betting sector, particularly amid the marketing onslaught of the giants such as Bet365 and William Hill?

Suren Khachatryan: This World Cup we will see record levels of online activity and the best operators have been preparing for this tournament well in advance. The betting facilities offered to punters have come on leaps and bounds since the last World Cup in 2010. Punters in the UK are overall technically knowledgeable and demand an abundance of derivative and non-derivative markets both pre-match and in-play, along with rapid payment processing. There is also growing interest in other facilities like cash-out fun ions, statistics and promotional offers like cash-back and enhanced odds. These facilities are of course offered by virtually all Tier 1 operators in the UK, but smaller firms can formulate and produce a highly attractive proposition and viable alternative to these companies. By differentiating, operators can compete by offering a personalised service for players and ensure they make customer service and player needs of utmost importance. Promotions and bonus offers need to be considered in terms of risk and reward, as does spending large sums on marketing, advertising and affiliates. Smaller operators need to consider USPs for their customers. For the UK, there are facilities and channels that can help, which means less development and risk

in-house. Cash-back facilities, live-betting facilities, pool betting, fantasy leagues, stats and scores, news and content can all be implemented onto most platform with relative ease. The cost and risk to the operator to implement is relatively small and can give the benefit of showcasing a highly comprehensive product. There is also a huge importance for smaller operators to keep their existing customers happy, and stay responsive to them through their existing customer service channels, and also through social media and betting forums and communities.

Richard Hogg: In order to compete against Bet365 and William Hill, it is best operators prepare to offer something which is “different” on top of the standard offerings. During this World Cup we will see Live Betting on mobile and tablet devices used in their current format for the first time. Live offerings continue to gain traction and everyone is trying to be more “live”. The company which pushes the live concept to the next level is more likely to generate more in-play turnover during this year’s World Cup.

Itai Zak: Operators can only attract customers by offering a premium betting experience and the widest possible live betting options/in-play coverage. While new players may be drawn in by major bookmakers’ marketing campaigns; veteran players, high rollers and discerning recreational players will be looking for better bonuses odds and rewards, an enhanced experience, and interesting and unusual bet types. To find their edge, operators must offer all this, plus a more personal level of customer engagement; including personalised interaction before and during the match to give players attractive offers, highly targeted newsletters filled with tips and insights, 24/7 support, personal bonuses and frequent player rewards, outstanding prize draws and competitions.

What factors will ultimately define which operators succeed in the key mobile battleground?

Suren Khachatryan: The same things apply to a mobile offering as they do within other channels. The technology has to be easy to use, available and up-to-date 24/7, have zero downtime, and be able to stand up to the rigours of large events such as this.

Richard Hogg: Over the last couple of years I have seen several very innovative products which have the potential to change the offering of live events. Enabling operators to offer mobile bets on unique in-game markets (such as ‘what will happen next’ markets - throw-in, corner kick, or whether a player will score from an upcoming penalty). Since these markets are resulted and settled in real time, bettors will be able to make hundreds of bets throughout a match without tying up their funds until the end of the game. These service can be and should be packaged in a niche client developed in HTML5 in order to work well on mobile and use the momentum currently seen in this market. In soccer you should be able to generate over 100 markets per game and the ability to make a bet in real time; eg on a penalty, will be a very intriguing offer and hard to resist. The key to these types of markets and the product in which they are designed for is that you are pushing bets to the customers. Bets which appear over their mobile/tablet device in real time which is relative to the action they are currently viewing on screen or at the event on their device. With these devices you cannot have the standard 150 betting events currently offered pre-live. The size of the displays simply doesn’t allow for it and searching can take too long. You should have two-clicks to bet. Pushing the right markets at the right time to the end user will enable the customer to bet the and there before prices change or circumstance in the event change.

Itai Zak: Important factors contributing to a mobile offering’s success include usability,

speed and easy navigation. Punters need to find their bets and place it in two clicks. Also, there’s usage of relevant communication tools such as push notifications and mobile targeted incentives for players. The World Cup will generate the biggest demand for mobile betting ever seen. The explosion of smartphones and tablets makes betting ever more accessible and convenient. But, punters’ expectations are highly sophisticated, even first time bettors expect a fluent mobile betting experience so they can easily place a stream of bets while watching matches, with a massive variety of markets and odds updated by the second. To stay ahead of the race, operators must offer all this and for most, this can only be cost-effectively provided through outsourcing to a global platform. That way, operators can focus on acquiring, engaging and retaining customers.

Suren Khachatryan joined BetConstruct as CEO in 2011 after leading sales organisations in a number of countries. Since then the company has grown into one of the industry’s leading providers of gaming technology and data. He has a BSc degree in Commerce & Business Administration from the University of Birmingham.



Richard Hogg is CMO at Betting Promotion and has been involved in online gaming since 1999. In a career that has spanned across three decades and three continents, he has overseen the induction of many brands and products into various market places.



Itai Zak is CEO of SBTech, responsible for the overall strategy and ongoing operational management of the company. Zak previously served as vice president of eGaming products at Spiral Solutions and as the General Manager and Executive Vice President for gaming products at Spin3, the mobile gaming division of Microgaming.



MOBILE EVOLUTION

Mobile betting has grown exponentially in recent years to stand at more than half of many operators' sportsbook turnover. **Itai Zak** of SBTech looks at the latest developments and how operators can best optimise the channel.

For full optimisation, operators need individually adapted mobile products for every OS and device segment. Creating these dedicated apps, requires responsive design and full customisation to every last functionality, plus multiple resolutions to meet various tablet and smartphone specifications. Mobile strategy must cover HTML5, native iOS and Native Android, and, with tablet sales set to outstrip PCs next year, a dedicated tablet application is essential.

The likelihood is, big operators will continue to have dedicated solutions for each segment, however, everyone else will use HTML5 as the technology evolves. This should provide a cross-platform solution that can be run everywhere, especially for sports betting which needs to present the relevant content in the quickest, most intuitive way but requires less complex graphics and animations.

Another series of unique challenges is posed by meeting the strict requirements of different regulatory jurisdictions. Operators may need to identify players' location in real time, or tightly integrate with the regulator database to verify players' identity. In some cases, operators may need to enforce deposit limits or control a player's maximum loss within a specific time frame.

Sports bettors love native apps for ease of accessibility and rapidly presented, highly personalised content. Availability and uptake is growing as more are built through HTML5. With proper responsive design and utilisation of the latest HTML5 functionality, they provide a great user experience and are most cost-effective for operators. Also, HTML5 apps can be "wrapped" with a native shell/container to make it easier to distribute through Apple or Android markets.

But, there are obstacles. Punters may be reluctant to download or add apps to their phones. Until recently, the Apple store didn't

allow real-money betting apps and Google still prohibit them completely, and disallow distribution. To download sportsbetting apps on Android devices, users must "allow non-marketplace apps" in settings. Many aren't even aware of this, or may feel reluctant, distrusting the app's source.

A compromise between optimised sites and native apps is mobile-friendly web apps, optimised for Apple or Android devices. These sites have some of the benefits of native apps, but require no download. However, they're no real match for true native apps in terms of speed and functionality, and the way native apps utilise the features of the device they're running on.

Currently only offered by the largest operators, the provision of live streaming is becoming expected across the board, including events not being broadcast elsewhere. Operators will be expected to stream crucial events, offering continually updated in-play bets alongside the action.

Technological advances will make an increasing diversity of more innovative, live bets possible, broadening online betting's appeal and increasing turnover. For example, five-minute markets allow players to rapidly place a bet and see it settled many times throughout a game. This wider variety of bets will give punters a richer, more vivid overall experience of live betting, accentuating their excitement watching the match and making them feel more highly involved in the action.

Improved localisation and personalisation will mean operators can continue to enhance customer engagement, by presenting and focusing on more individually relevant content.

Advances in intuitive design will make it possible to cater for a younger generation of recreational players, drawn in by the convenience of live betting. The increasingly

huge variety of bets must be presented clearly and simply, even with limited screen sizes and resolutions, to cater for the needs of new players and veterans alike. To keep up with this rapidly evolving technology online, operators will increasingly turn to outsourcing.

Operators must offer a cutting-edge live betting platform for the World Cup, fully optimised across mobile devices, and from this many key challenges arise.

Operators must deliver a continuous stream of quickly settled in-play bets during the match, with rapidly updated odds as the game progresses. They must meet the huge surge in demand expected, and cater for the needs of both veterans and totally new punters, drawn in by the ease of live betting to this global event.

And, all this must be mobile, so punters can bet while watching the match. To present a continuously changing, huge variety of in-play bets, operators must provide a highly intuitive front end, so punters can find and place bets easily even with limited screen sizes and low resolution. The experience must be perfect for users to enjoy, engage and come back for more during upcoming events and the football season opening in September.

Operators must concentrate their resources on meeting these challenges, either in house or through the cost-effective route of outsourcing. Spending money on promotions and marketing campaigns is not enough, punters will rapidly go where the live betting experience is best.



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