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■ **Robert Wintersteller**, product manager, has a degree of science in applied physics and electrical engineering and BA of electrical engineering. Robert has seven years of experience in software development and algorithmic trading in sports betting. He has worked for Betting Promotion since 2006.

■ **Erik Lögdberg** is chief business development officer at Kambi and has been with the company for eight years. Previously Erik was responsible for Kambi's (then Unibet) In-play product and has followed the development closely ever since the start of the in-play growth.



■ **Itai Zak** is the CEO at SBTech. An online gaming veteran, Itai previously served as an executive vice president of egaming products at Spiral Solutions and as the general manager and executive vice president of egaming products at Spin3, the mobile division of Microgaming.



■ **Erik Lorenz** joined the Sportradar Group in October 2008, coming from German Bundesliga. As managing director of sales, he is responsible for the operational and strategic sales and marketing activities for Sportradar's core brands Betradar and Scoreradar.



■ **Nikolaos Konstakis** is INTRALOT's group head of trading. Nikolaos has been at INTRALOT since 2001 and has the overview for several betting operations worldwide.



■ **Paul Mears** is vice president of Sports Betting at GTECH G2. He has been at GTECH G2 since 2005 and has driven the firm's sports betting offering from strength to strength with the continued development of MarginMaker, the industry leading sports betting product.

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GETTING THE INSIDE TRACK ON IN-PLAY

As in-play continues to shake up the industry, *eGaming Review* speaks to betting heavyweights Sporting Solutions, Betting Promotion, Kambi, SBTech, Sportradar, INTRALOT and GTech G2 to get the inside track

In-play betting has transformed the online sports betting sector and is driving growth and revenues at the major operators. In such a dynamic area of the egaming industry, with mobile pushing forward further change, it's vital any operator remains on top of this constantly evolving area of the business. We've gathered a host of industry leaders to discuss the development of in-play, how it continues to be a game-changer, and look at how the sector will continue to develop over the next 12 months.

eGaming Review (eGR): How has the rise of in-play affected the strategies of sports betting operators?

Simon Trim (ST): Firstly, from a recruitment and retention perspective, in-play has increased opportunities for customer engagement. Betting opportunities stretch throughout the day, keeping customers 'on site', which increases cross-sell opportunities of verticals such as casino. As a result, marketing strategies operate at increasingly granular levels.

Secondly, in-play requires increased investment in technology. System latency must be minimal, bet placement must be quick and data and/or broadcast is required to bring alive the in-play experience.

Finally, operating strategy is shaped according to whether an operator provides in-play themselves, or outsources it to specialist suppliers, such as Sporting Solutions. Outsourcing is now very popular as it provides flexible, cost effective access to specialist in-play services, allowing operators to focus investment on areas of strategic priority.

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“ Operators have to make sure their systems are fast in order to update the market odds in time ”

◆ Robert Wintersteller, Betting Promotion

Robert Wintersteller (RW): A large part of our pre-match turnover has moved into in-play. We still have a lot of pre-match betting but we have seen a shift in where we get the most growth. In-play is quite personnel-intensive; someone has to monitor games, take care of prices, update the odds and make sure that events are running.

Strategies regarding settlements have changed – they need to be much faster. Before, operators could wait until the 90th minute before settling a game or delivering the result, but now you have to do it during the game as soon as the market can be settled. Operators’ systems have to be fast, in order to update the market odds in time. Customers want new odds within seconds.

The number of events and markets will continue increasing, so sports betting operators will have to automate as much as possible. Additionally, when operators were only offering pre-match, they could just focus on providing the odds and not think so much about the live content that customers now need, such as how many corners, throw-ins or cards there have been so far.

Erik Lögdberg (EL): With a focus steered more towards in-play, operators have seen a massive increase in their costs for producing a competitive sportsbook. Operators now need more traders, larger investments in front and back-end technology, and sports modelling to support the growing in-play offering while maintaining a healthy margin. They also need new tools for risk management and customer intelligence. Operators have had to take on huge costs from third party suppliers in order to get score feeds with minimum delay straight into their back offices.

These added costs, as well as the increased complexity and the time to market, make it near impossible for most operators to keep up and deliver a competitive product. The only viable alternative is then to outsource the full solution to B2B companies like Kambi.

Paul Mears (PM): It’s clear that in-play betting is vital for the future. Given the growth of the mobile gaming sector, it’s obvious – and crucial – that the marketing of mobile appeals to the new breed of in-play customer.

Mobile and in-play are all about an ultra-rapid response that directs users straight to the information they are after rather than



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having to negotiate long menus. Providers who are successful are those that prioritise speed and ease of use.

As in-play continues to grow, operators will keep extending the number of sports and individual markets they offer, so that opportunities really will be there for customers whenever they want.

Itai Zak (IZ): Providing a successful and comprehensive in-play product involves addressing critical aspects in both the front and back ends: a varied selection of sports, leagues and bet types within a smooth and easily navigable user interface; as well as real time pricing and trading management capabilities across multiple sports simultaneously.

“ A good live betting service, such as Betradar’s, is characterised by its ability to help optimise the profit of each bookmaker

◆ Erik Lorenz, Sportradar Group

This raises the bar in terms of competition. To stay in the game, operators need to have skills and resources, the right system, effective trading knowledge and the budget to spend on betting content. The main impact of the rise of live betting is that it makes it almost impossible for many operators to keep up with the big bookmakers, resulting in a limited offering, negative user experience and/or low margins.

SBTech offers a comprehensive live betting solution for existing bookmakers and land based operators to enable them to face these challenges successfully and stand alongside the top bookmakers on the market. SBTech’s solution is aimed at cost-effectiveness and reducing overheads while growing turnover and margins.

Erik Lorenz: Every day bookmakers offer thousands of live betting markets on sports events around the world. The collection and updating of such live sports data and odds requires the highest technical standards and many resources. Therefore, process automation plays a key role in the success of an operator’s strategy.

Live betting offers many ways of increasing automation and reducing costs. In particular, a good live betting service, such as Betradar’s, is characterised by its ability to help optimise the profit of each bookmaker. Betradar’s live odds service enables bookmakers to fully automate their in-running operations.

Thanks to our full service, the customer can focus solely on risk management and profit optimisation.

Nikolaos Konstakis (NK): Most contemporary sports betting operators have had to restructure their organisation with the proliferation of in-play sports betting. Building the operation to support in-play has proven to be one of the most difficult equations to resolve within the industry. With such a vast array of available sports, events and markets for betting, this becomes an extended investment in brains, trading skills and technology development as well as with the relevant front-end adjustments, marketing campaigns and promotions to keep demanding customers satisfied.

Access to sports data and/or pictures from the field, investment in the creation of proprietary mathematical models, platform enhancements, trading and managing the risk live as well as identifying fraud and betting manipulation are the basic areas affected. A lot of operators have had to decide either to invest in their own in-play infrastructure or outsource parts of their operation. In-play is currently the most important and fast developing sports betting vertical and the right balance between costs and product offers is decisive for successful operators.

eGR: What kind of developments have you seen in in-play over the last year and what major developments do you anticipate going forward?

RW: In-play has gone from only including the most common sports, like football, tennis and ice hockey to also featuring minor sports like darts, snooker and volleyball as well as non-sporting events such as TV shows and political elections.

The growth of short-living markets, like which football team will score next or who will win the next round in a tennis match, is another big shift. These markets can occur not only once or twice, but can open and close maybe up to 100 times during a game. That’s one of the developments we anticipate will continue in the future. Adding more of those markets and providing customers with the latest live information, such as how many yellow or red cards have been given in a game, will become more important. It’s also good if you can provide clients with a media solution, like streaming a match or having graphics, which allow them to follow the game, making it more real than just seeing the current score.

ST: Operators require in-play across evermore sports, events and markets, and levels of automation have increased as a result. While automation is growing, we don’t believe pricing can be left to a machine. Our traders’ experience remains a key element of our pricing service. While offering automated pricing, we also recognise that some operators still wish to produce their own in-

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play prices. As a result, our partners can also access our cloud based models to produce their own prices if they require.

Service flexibility is highly important. Sporting Solutions are advocates of cloud computing and we have invested heavily in this area. Going forward, the investment in platforms and services that underpin in-play will be as important as the product itself.

NK: The rally for the most sports, events and markets is ongoing. Competing to bring in more offerings for in-play customers doesn't come without cost. Furthermore, the battle for acquiring sports data rights is evolving; with companies focusing on a piece by piece exclusivity acquisition.

This will at some point reach a crescendo and stabilise or even decrease. The new balance will determine the precise volume of events actually needed for an in-play sports betting operator. The central idea is whether customers can really differentiate between an offer of 10,000 events per month as opposed to 7,000. Riding and balancing that crescendo under a continuously modulated legal and tax framework per country will be crucial in maintaining success for in-play operators.

Erik Lorenz: The development of new betting methods and experiences is a key priority of the business. Punters are looking for fast-paced live betting action which provides many opportunities to bet. Game concepts that keep punters glued to the action, such as Betradar's new Soccer Roulette, enable online sportsbooks to offer a new live betting experience in an innovative and playful way.

This also serves to address new target groups such as online casino players. We have set out to develop truly innovative and entertaining gaming solutions that help our clients to take this next step in the "gamification" of their live betting offer. In the world of retail operations, betting shops need to provide their clients with the best possible live sports content and in-running offer around the clock.

IZ: Today's in-play offering has to give punters the most coverage, the best prices, odds updated in real time, and access via mobile devices, all presented in a user-friendly interface. With more than 60% of turnover placed on live markets, bookmakers and software providers alike recognise that this is what player retention today boils down to.

Operators strive to offer a full product suite while supporting a huge variety of global events 24/7, competitively priced and available via multiple channels.

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◆ Itai Zak, SBTech

Accessibility is also crucial and in today's smart phone revolution, the current race is to bring the thrilling live betting experience into the players' hands. Packing all this content into a small device is a huge challenge that serves as a great drive for today's bookmakers.

The challenge moving forward will be to effectively monetise and monitor in-play with the right trading platform and operation. A small difference in the quality of your offering can translate to big cash so it's essential to identify fraud in real time, with the proper systems and tools allowing you to quickly react to any development.

EL: The amount of events and bet offers has been the key differentiator for the past few years. We expect continued growth here but we also think that there will be an increasing focus on the quality of in-play offerings. The overall user experience - the design (mobile, web and self-service terminals), the relevance of the offering, the availability (short live delays and low suspension rates) - will need to allow the end-user to bet whenever and on whatever they want.

Live streaming will continue to be an important driver. We expect to drive innovation in this area towards more creative solutions that better marry betting with live broadcasts so that operators can fully capitalise on sports rights.

In-play is about instant action, quick decisions and quick payouts. Bet offers such as next point in tennis or next corner in football exemplify this and it is on these types of bets that we believe more and more money will come. Many end-users will use in-play more or less as a casino.

PM: Operators have had to respond quickly to the massive growth in in-play betting over the last few years. With wagering opportunities available on nearly every professional sport, 24 hours a day, seven days a week, it is imperative providers have the technology to cater to this rampant demand from bettors.

We have seen almost all major operators release applications tailored for smartphone and tablet devices, allowing punters to

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bet whenever and wherever they want, and still have the same great experience they would expect from desktop.

Going forward, we can expect the likes of television and printed material recognition software to provide bettors with innovative new ways to locate betting opportunities. Similarly, geolocation software will direct people who are at a sporting venue to markets relating to events taking place at that time.

Push notifications, widely used already in the mobile arena, will allow players to express an interest in their favourite team or player with the device's notification system used to provide a swift route to betting markets concerning that team or player as they arise.

eGR: What are your opinions on the shift towards mobile in recent years, and how does this affect product development going forward?

PM: The shift to mobile was a natural development as the enhanced technology on devices, coupled with improved bandwidth and connection speeds, was also going to accelerate what people could do with these devices. The huge range of smartphones running dissimilar operating systems – not to mention different screen sizes, resolutions and graphics – means product development can be a long and costly process.

Operators must appreciate that people interact with mobiles differently, typically having shorter interactions than those on desktop. A one-size-fits-all approach has seen developers simply squeeze and resize browser pages for mobile. However, companies that spend the extra money and time to develop programs that recreate the desktop experience on mobile will see returns from customers.

EL: Even more so than on the web; the focus through mobile channels is on in-play. In relation to this, operators not only compete with other sportsbooks but they also have to compete for the end-users' time with apps like Facebook or Twitter. It's the entertainment value of much shorter sessions that is the differentiator. The man on the bus may have a few minutes to kill on his mobile and as a sportsbook we need to make this the most exciting option; instant action in-play is certainly a good tool for this.

An obvious challenge on mobile together with the explosion of new betting opportunities is to present this huge offer in a user-friendly way on a small screen. We meet this challenge by aiming for a seamless experience between platforms where consumers will be familiar with our layouts and concepts.

“For in-play, the growth in mobile devices presents a user interface challenge to ensure bet placement is quick, easy and leverages the technology available”

◆ Simon Trim, Sporting Solutions

ST: With many operators reporting over 40% of transactions via mobile, and the rise in the tablet as a “second screen” technology, it is clear that these are the channels for the future. For in-play, the growth in mobile devices presents a user interface challenge to ensure bet placement is quick, easy and leverages the technology available. An operator must focus on multiple devices and tailor the interface accordingly.

From a product perspective, different channels require different content or even different prices, and our Connect platform allows operators to tailor all their prices and content according to which channel they are populating, and we also offer a number of ‘quick hit’ markets which help operators capitalise on the immediacy of mobile betting.

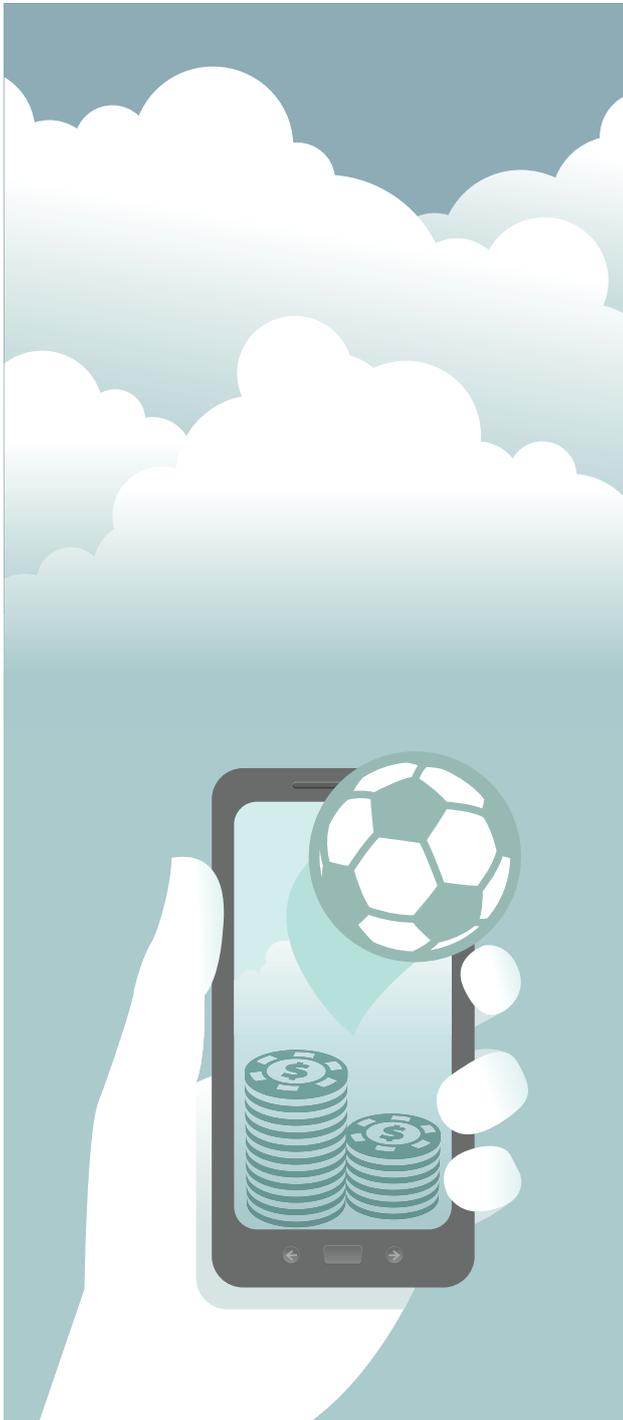
RW: It's important to make sure content is well-suited to mobile phones, iPads and tablets, to ensure that it's easy for clients to place a bet via mobile. We are not a traditional bookmaker as we only provide odds, so we don't have to think too much about user front-ends, but we do have to make sure that the markets we provide are mobile-friendly and well-fitted into the graphics of HTML5, both when it comes to updating prices and in the way the operators present them.

It is important to keep things simple and to ensure that clients can place bets fast. You shouldn't have to scroll to find a bet; it should be there straight away. It is also important to make sure that markets are being settled quickly – a bet on the next corner has to be settled within a minute of the corner being taken. That adds to the customer experience.

IZ: The shift towards mobile was inevitable in an era where we can do more than ever on our smart phone. It's an integral and personal part of our lives, making it perfect as a marketing medium.

It's the personal nature of mobile that has every bookmaker vying for a spot on your mobile home screen or bookmarks

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list, and thus your pocket, and the achievement of such is an act of loyalty on the part of the bettor, one which seems to pay off.

Smart betting providers have prioritised mobile development on the basis of the attraction value it will provide in terms of new bettor acquisition and the opportunity it presents to market effectively on a personal level, resulting in significant growth and profit.

NK: The contribution of mobile-generated revenue is continuously increasing and there is no question that mobile gaming is the new rising industry. In-play betting is essentially equivalent to mobile. The convenience and relevance provided by mobile devices combined with the unrivalled excitement of in-play betting create the perfect gaming mixture.

Mobile product development needs individual expertise and characteristics. The product being offered will have to become concentrated and instant in the sense that customers on mobile devices will need a more immediate availability of betting options. Intensifying the customers' ability to surf for the right bet amongst thousands on offer while taking advantage of ongoing mobile-specific technologies will keep the mobile experience easy and convenient.

Erik Lorenz: It has become one of the most talked-about topics in the industry and has the potential to change betting altogether. Recent trends in the UK show more and more punters are using hand-held mobile devices to experience the thrill of live betting, with astonishing revenue growths year-on-year. But it also brings up international gaming regulation issues and legal stipulations.

In terms of product development, we are right at the forefront; punters are becoming increasingly demanding and expect more entertainment and detailed live data such as attack visualisation and positional data of all on-pitch action. We can provide this.

eGR: Has marketing focus changed as a result of the growth of in-play?

“ The contribution of mobile-generated revenue is continuously increasing and there is no question that mobile gaming is the new rising industry

◆ Nikolaos Konstakis, INTRALOT

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NK: In-play attracts a very large part of turnover of any sports betting operator and as such the focus of marketing campaigns have to be very specific and precise in order to attract a new customer base and maintain its interest. Because of the fast-paced nature of settlement in in-play betting, the customer base has shifted to a younger, more dynamic market – characteristic of casino-type players.

EL: This impacts operators more than Kambi as a B2B supplier. Where up-coming events used to be advertised, marketing focuses increasingly on what is happening right now. This applies to sites, social media, affiliates and even TV ads. As a sportsbook B2B supplier, Kambi works together with operators to optimise their marketing tools so they can follow this development.

PM: Clearly the growth in in-play offers operators huge opportunities. Before in-play betting took off, advertisements and promotions were restricted to pre-live, whereas operators can now promote prices during the game, for example on who will score next or on the final score. They can even offer wagering bonuses that might allow players to have a free bet in-play matched to the stake of a bet placed pre-live.

IZ: Marketing focus has changed mostly in messaging, with many bookmakers highlighting their live betting content and/or the superiority of their live prices. Others invest in special marketing tools that focus on live odds, while affiliates are creating better platforms for real time presentation of odds, results and match activity.

Erik Lorenz: Live betting enables entirely new forms of marketing. The future of betting apps has already been questioned. Contextual live content that stimulates punters to place a bet is very important. Betting companies want to enrich the player experience even further and are looking to develop augmented reality betting apps. This new technology will allow even more information consolidated in one app.

ST: At Sporting Solutions we deal with a lot of data, and big data is becoming a vogue topic in a number of industries. The advance of in-play equates to more people, transacting on more things in near real-time. This provides a wealth of transactional data but also means it can be increasingly difficult for operators to store this data, let alone interpret it, and to understand their customers and implement activity as a result. Effective segmentation and the ability to predict customer behaviour is the basis upon which marketing campaigns can be deployed, tested and refined, which in turn will enhance the value an operator derives from its in-play service.

eGR: Have you seen a shift away from those sports more popular for pre-match betting when it comes to in-play?

EL: Pre-match betting has been stable and this product will always play an important part – it is a different challenge catering for other needs. Sports that are particularly well-suited for in-play have definitely gained more ground. Low profile tennis events that previously did not receive any action can now be an operator's blockbuster of the day. The natural interest the public has for a sport event becomes less important with in-play.

IZ: Based on our experience, the same sport types that are popular pre-match are also popular live. There are some exceptions, mostly related to match broadcasting choices, but player preferences seem to be similar in both cases. The number of bets and amount wagered hasn't declined due to the rise of live betting. The new live betting trend has doubled the average turnover per player. Although most sports kept the same share of the pie, tennis became very popular once in-play betting was offered, and has become the second most popular sport after football as a result.

ST: Pre-match is more commoditised, and largely outsourced, but customers still like to bet before a game. For example, higher staking clients usually place their bets before an event starts. Historically popular pre-match sports such as racing and golf are in decline, but that's more due to issues with the sports themselves or a lack of decent coverage rather than being impacted by in-play. Sporting Solutions provides a holistic pricing service which reflects the importance, and roles played, of both pre-match and in-play betting.

PM: In-play growth is the biggest driver in online sports betting, with football in particular being the fastest growing element. With so many operators offering different in-play markets on a huge range of sports, it will continue to catch up with the turnover on pre-match betting. However, it would be wrong to say there has been a move away from pre-match betting to in-play in any sport. The latter complements the former rather than replacing it. For a long time it was really only bookmakers or those using the exchanges who had the ability to trade during a match or game. Now, customers can place a wager pre-play and then have the option to place another in-play, either to consolidate an existing position or to ensure a profit by effectively laying off.

RW: I would say that the most popular sports pre-match are also the most popular in-play, but the markets that clients place bets on have differed. When it comes to in-play it's more about fast markets; which team or player will score the next goal – things where you

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don't have to wait until the last minute to see your winnings. Sports that are not that big pre-match are more interesting through in-play, such as snooker, volleyball or darts. You can see a lot of changes through the game and lots of people like to bet on that. As a customer, you can realise during the game that you might have an edge because of something you have seen.

Erik Lorenz: Football remains by far the most important sport, but there are other sports that also provide many opportunities for live betting, particularly those which involve scoring a lot of points. Those sports often play a more important role in-play than in pre-match betting, but overall the dominating sports are similar.

NK: In pre-match betting, the focus is generally centred on the few sports considered as popular. With in-play, betting opportunities come at quick and regular intervals during the course of any sporting event and customers want to be able to act in response to this. Independent to which sport it is and who is playing whom, in-play satisfies the customer's demand for excitement and fast profit.

The trend is that in-play customers are more interested in any sporting event that can offer a fast settlement and this uptrend has introduced new sports into the in-play landscape in the last few years which don't generate any interest for pre-match betting.

eGR: How have you been able to tailor your in-play offering to adjust to major sporting events such as World Cups or European Championships?

EL: During these events we will use more traders to cover an even wider offering, including more special bets. We also keep offers previously associated with pre-match, such as 'tournament winner' and 'group winners', open in the in-play view throughout the tournament, while matches are ongoing.

IZ: Popular events such as the World Cups or European Championships are our premiums and we offer the best variety of live markets out there, covering 8,000 live events monthly with 200 bet types across 20 types of sports, with full coverage on web and mobile. Strong coverage of such important sporting events is exactly why our operators choose us. They win every time, simply because they've got the goods, offering bettors the best place to enjoy these betting fests.

ST: The Sporting Solutions service is based upon our core skills in modelling, pricing and trading. It is what sets us apart from others and enables us to provide in-play prices across a market leading range of sports. Our service is specifically designed to enable new

markets to be added as required, and we always offer a specific pricing service tailored to major sporting events such as the World Cup. We place special pride in our ability to provide pre-match and in-play pricing services across all major events, such as the General Election and the London Olympics. These enhanced services are extremely popular as they enable partners to increase betting opportunities, display topicality and maintain the interest of their customers.

RW: We always try to increase our offering in a world cup. We use markets that are valid throughout the tournament, such as who will qualify for the next round, but since there are big events almost every week, we have a lot of markets whether there is a global event or not. Clients are getting used to seeing lots of markets and expect them to be there, regardless of the event, so the gap between big tournaments and major league rounds is not as big.

Erik Lorenz: It is essential to provide entertaining live content as well as tools that stimulate further betting activity. Betradar's Live Sports Centre serves end users with an entertaining, attractive and easy to use match commentary solution, covering such major sporting events. The product enables end users to follow attack visualisation and all the on-pitch action via icons and overlays.

This includes positional data of match events such as goals, goal kicks, shots on goal, shots off goal, blocked shots and corners. This also sets the stage for development of our next innovation: Betradar's ball-spotting feature. At the same time, this new product enables bookmakers to display tournament-specific odds to the end user within the solution and therefore stimulates punters to place bets with the bookmaker's betting offer.

NK: The overall marketing and promotion activities around major sporting events is always a great opportunity to engage new customers. The in-play offer is not an exception to all this and the main focus is to offer novel bet types that will support the general idea of something extraordinary happening; we are celebrating sports. Of course there is a ceiling to this, but suitable marketing messages accompanied by our powerful platform which is able to aggregate and integrate new offers together with targeted direct marketing campaigns is the key to our success.

PM: Clearly an event such as the World Cup or a European Championship captures the imagination of the world and typically operators see a spike in turnover and traffic. Football is by far the most popular in-play sport so it makes sense that we ensure our offering on major football events is everything a punter could desire. ♣