

*Featuring: SBTech*

# The ever-changing face of sports betting

Head of international business development at SBTech, Tom Light, explores the rise of sports betting over recent years and offers a unique insight into the industry

**Egaming Review (EGR):** What were the standout developments in the mobile gaming and sports betting industries in 2015?

**Tom Light (TL):** We have seen three major developments in 2015, one of the features which has grown beyond any expectations is 'cash out'. What the industry envisaged was for it to simply be another typical feature that could add around 15% of the revenue. The traction it has gained is incredible. Across the UK, simply turn on a television and one of the first advertisements that you will see is a company promoting cash out. Cash out is evolving, the operator can now configure the margin and commission rates for the cash out and we are expecting even further advancements in the near future.

Cash out has brought about a new wave of online consumers who are actively engaged in returning to the website where they have an active stake. For example, when a punter has a £100 on a certain market they will go back to the site repeatedly in order to monitor the status of their cash out.

Another bonus is on more of a psychological level, and that is that people cash out more when they are winning than when they are losing. For instance, if a punter has a £100 bet, they're not going to cash out on the bet when the option is at £20, but they will cash it out at £170. People want an insurance, a safety net. If they have a football bet of £100 to win £250 and are winning 1-0 in the 70th minute and there is an option to cash out at £200, they will cash out. Why? Because they can double the money right there and then, why should they risk £200 to win another £50? It doesn't make sense. Interestingly, it doesn't make sense for a

player but as a trader, to risk £200 to make £50 in the 70th minute when it is 1-0, is actually a very good and worthwhile bet. It is a win-win situation, the client earns some money and the operator, in the long run, makes more money.

The second biggest development was the one minute market, instead of waiting for a final result to come in, players can bet on what the next event is going to be within the next 60 seconds. What's going to happen? A goal, a corner, a free kick, a throw-in, a card, a penalty, a goal kick, there are endless possibilities. These are all markets that are being settled immediately and are being generated rapidly, instead of being a 90 minute process, this is now a single minute process.

The last biggest advancement was live streaming, which is technically from 2014 and actually started some period before, but 2015 was the year that it exploded in popularity. The main reason for this being the internet becoming faster and streams becoming more reliable and higher quality.

**EGR:** What opportunities do the 2016 Euro Championships pose for operators?

**TL:** The main opportunities are not only for sports operators, but also for gaming targeted operators. Huge international events such as the Euros provide chances for sports betting to a greater provision of people who never actually bet on sports, e.g. casino players and poker players.

There is a unique social element which is almost unparalleled among other betting mediums, for instance, if a customer enjoys the thrill of gambling and is with a group of friends watching a sporting event in a bar or pub, they will be drawn in to gamble. In fact, it will be even easier for them as they will already possess an account, they will simply use the same company to bet on the Euros. This is a prime example of a number of people who may have started using one mode of gambling but switching to another after a major international event such as 2016 Euro Championships.



**Tom Light**

◆ *Head of international business development*  
◆ *SBTech*

Tom Light was born and presently resides in Tel Aviv, Israel. Light is highly knowledgeable and experienced working in various global regions. Tom acts as head of international business development at SBTech. He is renowned for his role as vice president of business development at FashionTV.

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**EGR:** This year promises a wealth of international events, whereas 2017 seems almost bleak in comparison, how can operators keep customers coming back even after the events in 2016?

**TL:** The year 2017 is very easy to compare to 2015, the year following the 2014 World Cup, I believe that the main factor in keeping customers coming back is retention. What happened in 2014 is that our operators were growing, and growing by quite some margin, by over 33% during the World Cup and even more impressively, the operators were able to maintain this growth during the whole of 2015 with retention.

There is a huge amount of events in 2016, such as Cheltenham, 2016 Euro Championships and the Rio Olympics. During 2016, it would be fair to state that we will be experiencing growth due to these events, but we need to retain it and balance it by offering good, live events from across the globe. It is crucial not to rely on huge sporting events. Because we offer over 25,000 live in-play events a month, there are ample live events and customers find themselves betting on a more varied market rather than being pigeonholed into a single sport. In 2015, we were able to maintain the heights of 2014 for over a year, in the simplest of terms, an operator has a big offering and then they keep showing huge quantities of live events in order to maintain it.

**EGR:** How important is personalisation to the sports betting market?

**TL:** Very important. Sportsbook is very comprehensive and now there is a great drive into mobile. Mobile is very small and overall is a tiny little device, it is significant that operators shy away from putting loads of small buttons on a screen. To be mobile successful, an operator should aim for simplicity and make things very clear, predominantly image heavy and have only around three or four buttons on the screen at one time. Of course, this simplicity does beg the question: "How are you supposed to have three or four buttons on a mobile and offer 25,000 live

events a month?" The answer is personalisation and customisation, by determining which events are a customer's favourite and personalising said buttons to these events, all it takes is to have around two hundred markets on each button.

**EGR:** How can the sector play a part in cutting out match fixing, fraud, etc.?

**TL:** As far as social responsibility as an operator, we have to quickly communicate with FIFA, UEFA, FA and any relevant body or authority and report any suspicious activity.

**EGR:** Innovation is key in regards to staying ahead of the competition, how do operators continually innovate? What products and offerings can we expect in the near future?

**TL:** Over the next few years there will be substantial improvements in sports betting. Our aim is for customers to "live the live game", we want them to feel as if they are there in the stands, this will help them fully connect with the sport. We are also heading towards better visualisation for live matches, it's all about really getting you into the game.

What will be happening is similar to when the land-based casino feel was thrust online, operators made it feel as if you were there, the aim is to make the punter feel that they can decide what is going on. Cash out is going to see even more of a boom, for example, if a punter bets £100 and things take a turn for the worse and there is an option to cash out at £20, not many people will take that but what if we suddenly offer £50? This £50 will be bonus money and all you have to do to claim it at that moment in time is to wager it once. This will become possible due to technological improvements and multiple investments. Furthermore, simpler products will become more prevalent, these products will be "back to basics" so that anyone can pick up the device and understand what is happening and then bet. These 'easier' games will provide a transition from exclusively sports betting punters to casino players, and vice versa. ◆