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WORLD-LEADING

Sports Betting &
Platform Provider



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Introduction

A major new market

With the drawbridge officially lowered and PASPA repealed, all bets are on in the USA. The contributors in this report look at the opportunities and challenges that regulation in this major new market will bring.

With sports betting already regulated in multiple states and with more pending approval, the opportunities to facilitate punters betting on every conceivable sports are vast. Sensible service providers will want to get in on the ground floor and build up a strong and loyal reputation early on.

With lottery a mainstay in the US, consideration is also given to what changes may lie in store for the segment.

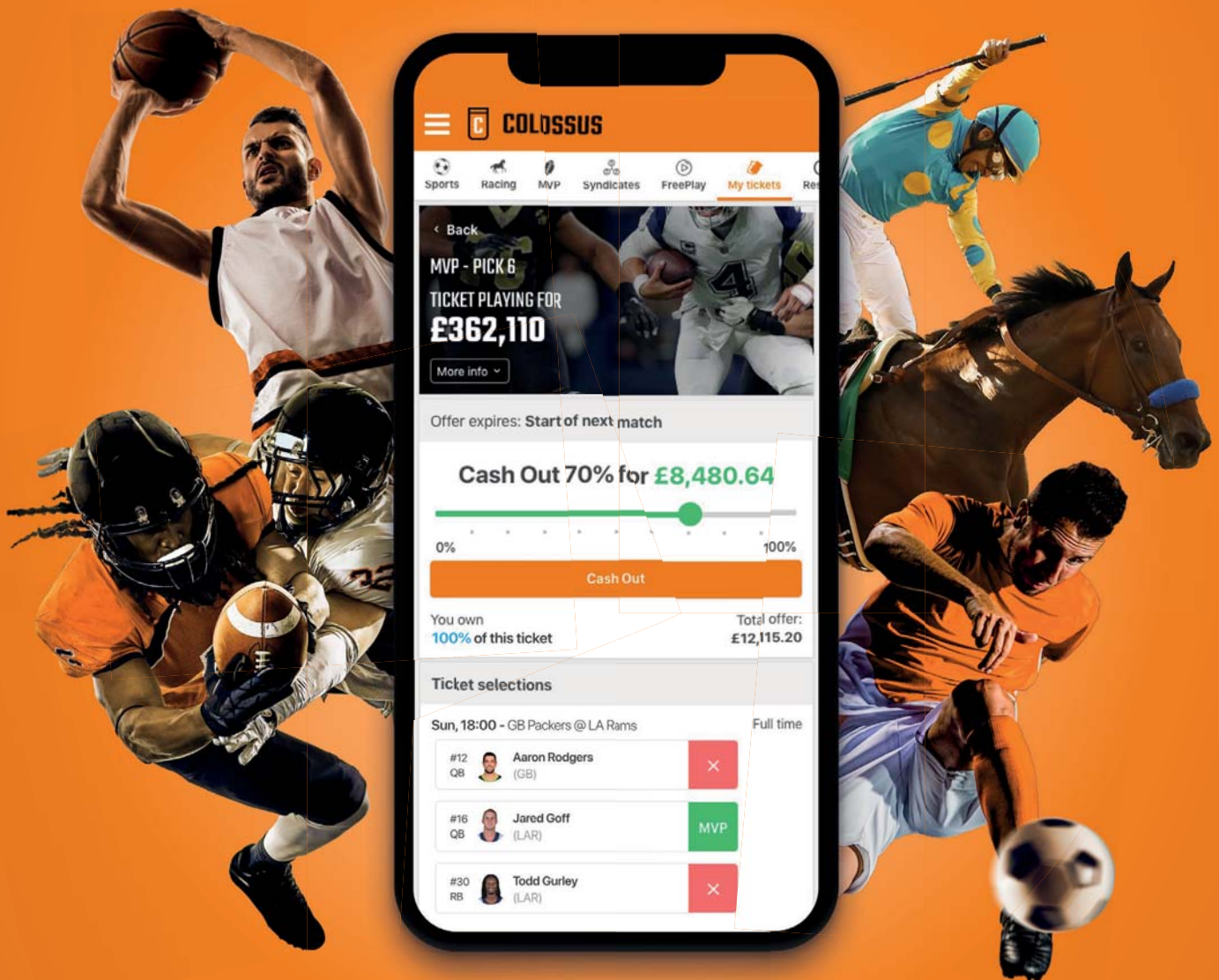
Overall, this report should give our readers a lot to mull over when it comes to the US and its potential.

By Ross Law | *Report editor*



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Benjie Cherniak

♦ Managing director
♦ SG Digital

Benjie Cherniak is the managing director of SG Digital's Don Best Sports group, a leading provider of sports information products and services relevant to the North American sports betting industry. Cherniak oversees the company's sports information platform, automated data distribution, live pricing, and ancillary consulting services.

Featuring: *SG Digital*

Winning with data and pricing in the US market

Benjie Cherniak, managing director of Scientific Games' Don Best Sports, takes stock of the sports betting space and shares insights into how sports betting stakeholders can succeed in an accelerating market with an efficient trading/pricing/data offering

We have just passed the one-year anniversary of the first legal sports bet being placed in New Jersey. While expectations for the Garden State were high for legislators and operators alike, one has to think that with \$3bn in GGR, those numbers have exceeded expectations. Of course, this is just the tip of the iceberg as New Jersey's numbers will continue to grow exponentially, as will those for all eight states now accepting bets, with Pennsylvania in particular expected to find its groove now that it has added mobile to the mix. With New York, Illinois and a plethora of other states on deck, and media companies now joining the party, it is clear that we are passing the point of no return. Legal betting is here to stay in the US, and it will play an increasingly integral part of the sports engagement experience in the months, years, and decades ahead.

The punter is front and centre as we evaluate the future of sports betting in this country. Recent studies conducted by Scientific Games suggest that while many bettors still prefer to place bets in a retail location, many welcome the opportunity to bet online. We see evidence of America's love affair with mobile devices in New Jersey, where 80% of bets placed are mobile versus 20% retail. Numbers don't lie, so while select states are retail-only for now due to regulatory limitations, we expect the vast majority of states – if not all – will eventually migrate to online.

Just as regulation is a work in progress, so are sportsbook operations. With a year under our belt,

we have learned more about punter preferences and our need to tighten the ship to maintain strong margins in this unique market. Demand for US sports are an obvious choice of punters, led by the popularity of football and basketball. NFL and NBA have become year-round sports in that punter interest doesn't subside when the season ends. The NBA regular season leads to the playoffs, then once we have a champion we turn our attention to the NBA draft, followed by free agency and the start of July's NBA summer league, which has emerged as a signature betting event annually for a couple of weeks during the dog days of summer. This is followed by start of training camps, pre-season ball, and then yet another NBA season. The cycle never ends, and it is a similar dynamic not just for NFL but MLB and NHL as well. The moment we crown a Stanley Cup champion is the moment the astute operator begins to take bets for our next Stanley Cup champion 365 days out.

Of course, those operators paying attention to their punters understand the importance not just of the pro sports but the NCAA equivalents. Bettors have made very clear their desire for NCAA wagering opportunities. More than \$370m was wagered in New Jersey in March – second biggest month of the year – not so coincidentally when the College Men's Basketball Tournament takes place. No surprise that April and May saw drop off in revenues as the feature college sports seasons had come to a close. While NCAA is massive across the country, some states such as Mississippi find college sports even more popular as a whole than their professional counterparts. College sports coverage is a core pillar of any US sportsbook offering, and we at Scientific Games' Don Best Sports group have been keenly focused on NCAA since inception of our trading services. We offer increased and in-depth coverage of not just NCAA basketball and football, but coverage extending to the lesser conferences, Women's NCAA basketball, college baseball leading

to the popular College World Series, and college hockey culminating in the Frozen Four. Pricing of these events is a challenge and requires not just sport specific automated models, but experienced traders with US sports pedigree who understand the nuances that differentiate college sports from their professional equivalents. Also, it is important to adjust to the challenges of pricing sports in which there are new crops of unproven freshmen each year taking to the field, court, or ice surface.

Big six may drive the majority of sportsbook handle, but some of the niche sports are beginning to gain popularity as well and can help attract new customers. UFC/MMA, minor league baseball, NASCAR, and others can generate incremental revenue via not only your existing customers but by reaching an audience that otherwise might avoid traditional US sports. Operators, especially those with rich experience in the European markets, look to US-focused trading operations for mainstream and niche US sports products, so as to leverage their experience and expertise in creating a consumer-friendly offering.

A focused sportsbook, somewhat paradoxically, comes from a widely diverse breadth of knowledge

Benjie Cherniak | SG Digital

Carrying over from established markets, in-play betting has seen immediate uptick in the US to the tune of 30% to 60% of turnover depending on operator and jurisdiction. In-play offers a second-screen experience during sporting events, rounding out the betting ecosystem and keeping punters engaged. It also feeds into the instant gratification and multi-event churn many bettors seek. If the match is live, you can see the results unfold then and there, ramping up the viewing and giving players an extra incentive to watch the match/game. Americans have grasped this dynamic intuitively in combination with effective marketing.

Finally, more generally speaking, the US market is heating up at an incredible pace. States are regulating and operators are searching for ideal solutions to meet the needs of their players. Professional and collegiate sports leagues are gradually embracing the opportunities that legislated wagering affords them, while simultaneously working diligently to protect their own integrity and revenue streams. B2C marketing databases are a hot commodity because they allow



instant reach to huge swaths of bettors and have given fantasy sports providers such as FanDuel a massive early mover advantage from a cross-selling perspective. Properties such as Meadowlands are reinventing retail spaces to appeal to the new gaming streams and overhauling traditional sportsbooks to welcome new generations of bettors. We're in the thick of a vast wave that brings expansive investment, change and unprecedented opportunity.

Amidst a constant barrage of rapidly transforming sports betting technology, services, and data, stakeholders have their work cut out for them when it comes to standing out and making a splash in the market. Meeting market needs and providing a stand-out offer should go hand-in-hand as the US rises in the sports betting ranks.

Standing out – a unique, focused offer

It may seem obvious, but it's worth stating: a pricing and trading service solely dedicated to the North American sports wagering space proves immensely valuable in this burgeoning market from an operator perspective. At Scientific Games' Don Best Sports, trading services are a key pillar of the OpenSports offering. We focus on our North American betting heritage to build a sportsbook pricing and trading platform that best serves the given market's audience. Our traders are immersed in US sports and have access to all required and available data and visual sources to be able to offer events at the lowest latencies. That immersion is a result of a multi-year building process to a robust and firm grasp on the North American market.

A focused sportsbook, somewhat paradoxically, comes from a widely diverse breadth of knowledge. In other words, you have to know every sport inside and out to offer bets on an individual sport with confidence that you've priced it correctly. To know sports top-to-bottom is to win in the sports betting market. Lay that over a foundation of reliable technology, and that's a recipe for long-term success for any operator. ♦

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Dave Hammond

◆ COO
◆ SBTech

Hammond has a long history in egaming, including founding betconsultancy.com and holding the executive chairman position at Spartos. He also has previous experience as B2B director and director of retail product and innovation at Paddy Power Betfair.

Featuring: *SBTech*

Providing the localisation edge

Dave Hammond, COO of SBTech, emphasises the growing importance of localisation within an increasingly competitive marketplace

A player in New Jersey walks into a sportsbook to place a parlay on a kiosk with everything riding on a Yankees victory. He then calls his brother in Tennessee, who is about to spend 50 bucks on his mobile on the Titans winning the Superbowl in 2020, who then messages his best buddy in Vegas who has decided to follow his heart – again – and back the Golden Knights to go one further and win the Stanley Cup.

Localisation has never been more important. In addition to technical, tax and compliance hurdles, operators face the challenge of localising and differentiating across a patchwork of regulated markets. In order to retain existing players and acquire new players across a series of increasingly competitive territories, it is now a prerequisite to offer a fully localised offering.

The newly opened US market, which is regulating on a state-by-state basis, is the perfect example where a localised experience is vital to appeal to state- and sports-specific tastes. Every state has its teams and sports of choice, with fans loyal to their homegrown heroes, and today's sports betting technology needs to reflect this. If not, operators can miss the mark and, if so, these audiences will rapidly look to register, deposit and bet elsewhere.

When it comes to localisation, many sports betting technology suppliers' offerings fail to live up to expectations. From the day we started over a decade ago, we have grown our technology capabilities year-on-year to offer our partners with complete end-to-end country localisation through back-end services in core platform and front-end operations as well as trading and risk strategies within our tools and teams.

The strength of our localisation features and functionality has led to SBTech winning a host of tier-one contracts with the world's largest regulated-market egaming brands and major lottery organisations to run their entire platform solution and/or sportsbook. This includes the first major contracts post-PASPA in New Jersey and Mississippi, the largest US deal to date – selected by the Oregon Lottery to provide a full omni-channel sportsbook solution across online, mobile and an extensive retail presence – and recently launching VirginBet's new, next-generation API-driven UK sportsbook.

Using our CMS tool, operators can create a unique, localised offering to whatever their requirements are

Dave Hammond | SBTech

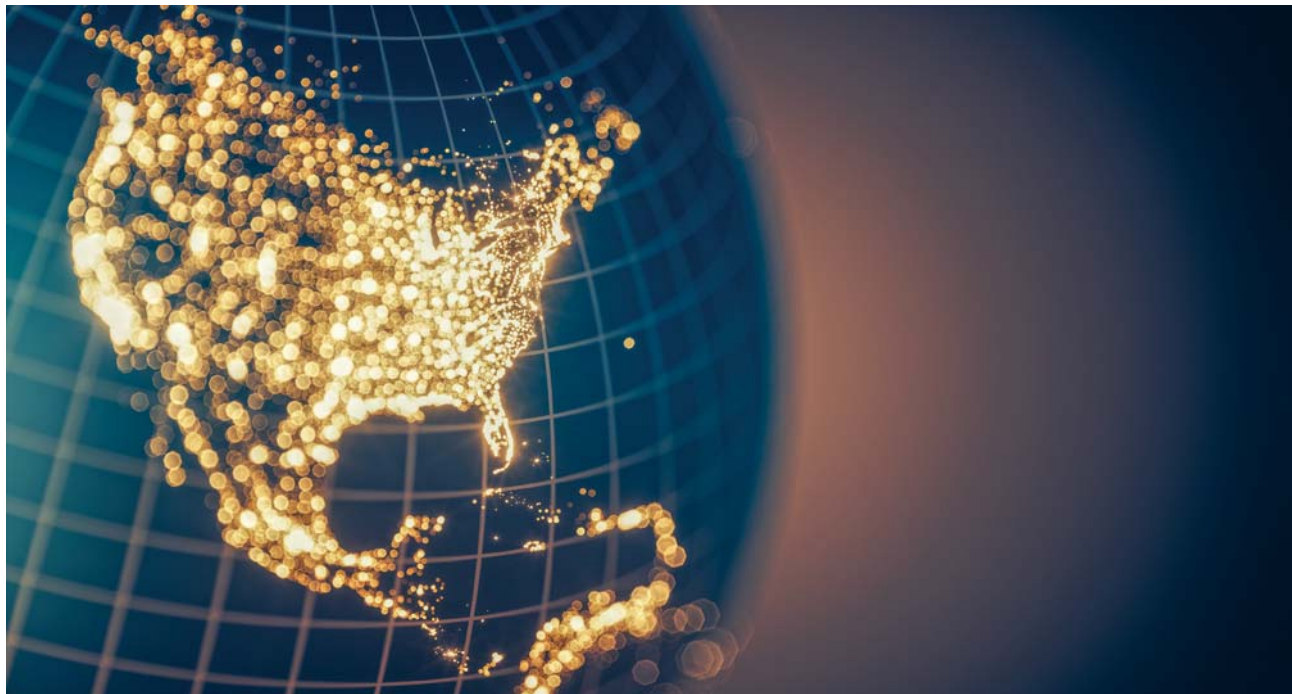
Three key factors to leveraging localisation

Today, a sportsbook and gaming solution must be both fully compliant and certified, adhering to an operator's regulated market(s) of choice, as well as fully configurable to any local requirements, offering brands maximum flexibility, speed to market and innovative responsible gaming controls tailored precisely to their and their players' needs.

One area which is often overlooked with localisation is margin – it is an essential part of an operator's business plan and critical when approaching specific markets with localisation calling for a differentiated and bespoke approach. This is an area at the core of SBTech's offering and a stand out in the industry.

Delivering differentiated trading strategies across localised and multiple territories, working side-by-side with partners to precisely gauge their needs and measuring every area of their operations is essential within today's competitive marketplace.

We deliver a host of different pricing models and bespoke trading strategies, be it split by event,



10 player segmentation or if operators have a brand ambassador(s) or a marketing partnership with a specific team. We can then create specific bonus boosts or the best price in the market using our highly configurable and flexible systems. We may, for instance, offer the best price but overlay that with different customer journeys to suit a partner's specific strategy.

Configurability and flexibility when targeting specific territories is of paramount importance. Our technology allows for maximum configuration with a huge selection of country-specific layout choices. Using our CMS tool, operators can create a unique, localised offering to whatever their requirements are across bet slip layouts for specific country best practices, specialist betting markets, bet types, prop bets (largely US), gaming content, payment methods and providers, and local tax application and reporting.

The third key area is next-generation APIs. These are being used by several of our customers to build their own front-end client on desktop and mobile, for example, providing brands and their products with an exclusive offering and an immediate edge with their own unique user interface and user experience that can disrupt the local market and/or increase existing market share.

The world may well be more globalised and connected on many levels. However, it is becoming increasingly apparent that a localised approach is the key to regulated market success. ♦

About SBTech

SBTech is a global leader in omni-channel sports betting and gaming, with more than 1,100 employees in 10 offices worldwide. Since 2007, the group has developed the industry's most powerful online sports betting and casino platform, serving licensees in more than 15 regulated territories.

SBTech's clients include many of the world's premier betting and gaming operators, state lotteries, land-based casinos, horse racing companies, and egaming start-ups. The group supplies highly flexible betting and gaming solutions to clients looking for exceptional configurability and the quickest route to market, complemented by proven business intelligence and reporting capabilities.

The SBTech offering includes its seamless sportsbook, Chameleon360 egaming platform, managed services, on-property sportsbook and omni-channel solutions that provide players with constant access to sports and casino products across all online, mobile and retail channels.

Supported by unrivalled expertise in trading and risk management, acquisition and CRM, and the highest standards of regulatory compliance, SBTech's partners consistently achieve rapid growth, enhanced brand loyalty and record revenues.

For more information, visit: www.sbttech.com



David Lampitt
 ♦ Managing director
 of Sports Partnerships
 ♦ Sportradar

Initially joining the Board of Sportradar in August 2012 in a non-executive capacity, Lampitt has more than 15 years of in-depth experience of working in the sports industry at senior levels. He leads the UK business but his remit also includes a number of group functions such as sports partnerships, rights protection, commercial compliance and other strategically significant group projects.

Featuring: *Sportradar*

Changing data dynamics in the US

David Lampitt, of Sportradar, reflects on some of the challenges that have come along with the opening up of the US sports betting market

One of the central issues to have emerged from the developments in US sports betting is the status of the data from the major US sport leagues. How the positioning plays out will have an impact on the global industry.

To set the scene, it has to be acknowledged from the off that, when it comes to data – the fuel of the sports betting sector if you like – there are no inherent established intellectual property (IP) rights.

The various leagues are right to point out that, without live data on sports, sports betting as we understand it today simply wouldn't be able to take place in the way it does. But it would be wrong to suggest anyone can claim ownership of the facts themselves. It is by collecting and organising those facts in the form of a database that the IP rights generally exist. This means that it is perfectly legitimate to collect sports data by logging the action of players, whether that is done officially from within the stadium or indirectly from a TV broadcast.

This dynamic helps to explain how the current global market has been shaped. It has been based on the established supply of 'official' data – data with the official stamp of the rights holder – and open-source data – data collected from legitimate sources but not the official record of the event.

Understanding this context helps to explain why the introduction of a differing approach in the US might be the cause of some friction. The downstream market has been accustomed to a situation where supply of a legitimate open-source unofficial product has long been available in the market and where every major supplier of sports data provides a combination of official and unofficial data in their distribution feeds.

Now, for the most part, the debate that is going on in various states with regard to what have variously been called integrity or royalty fees are best left between the sports and the legislators in each individual state. But data suppliers such as Sportradar undoubtedly have a direct interest when the regulatory ambit stretches beyond that layer. This has happened recently in Tennessee and now Illinois who have both included provisions within their legislation for mandated official data.

To be clear, there are often valid commercial and organisational benefits when it comes to entering into official data deals. These are mainly linked with optimal access to the event and the technical connectivity to distribute the data at lowest possible latency to sportsbook operators. However, as mentioned above, this should not be to the exclusion of a legitimate alternative market for open-source data.

Since the repealing of PASPA by the Supreme Court in May last year, each of the major US sports has been evaluating the best approach to be taken in this new market

David Lampitt | Sportradar

Equally significant for the wider development of the data market is the commercial approach being taken by the US leagues. Here, the official data structure is being seen as a mechanism to deliver important commercial outcomes, a carrot with which to incentivise sponsorship and betting partner deals with sportsbook operators.

This opens up an important element of the promise of regulated sports betting in the US – the opportunity to fully tap into the benefits brought by greater fan engagement and involvement in the consumers' chosen sports.



We believe this can best be achieved via non-exclusive deals with multiple data partners. It allows the leagues to access the widest possible distribution into the growing US market, thereby delivering the opportunity for the greatest commercial return. This approach is pro competition, encourages innovation, safeguards integrity while providing a return to the sports. For these reasons, we believe it is the most effective way to deliver balanced commercial outcomes that ultimately benefit the sports and the sportsbooks.

It is interesting to note that even in the legislation in Tennessee and Illinois, there is a recognition of the risks in this area with the inclusion of a waiver from the mandated use of official data should operators not be able to gain access on commercially reasonable terms.

I'm hearing you

Having been involved at the sharp end of the sports data business for almost two decades now, we're convinced that the best way to ensure such commercially reasonable terms is to allow, in fact to encourage, competition at a supply level. This may mean enabling non-exclusive access or recognising (in future, even embracing) the unofficial part of the market. In reality, this is how the market in Europe has evolved, where differing suppliers across the whole spectrum of sports deliver official and open-access data to their customers.

Since the repealing of PASPA by the Supreme Court in May last year, each of the major US sports has been evaluating the best approach to be taken in this new market given some of the unique

particularities of the market dynamics. Perhaps the most prominent feature has been the speed and depth of the commercial tie-ups that have been secured between the leagues and the major gaming operators.

The NBA – with which Sportradar enjoys a long-term partnership across data, streaming and integrity in the US and internationally – has entered into deals with The Stars Group, FanDuel and MGM Resorts International, as well as opening up the possibility of deals at a team level. Major League Baseball (MLB) and the NHL have similarly signed up to data and streaming distribution via Sportradar. Both have entered into a significant commercial alliance with MGM Resorts, while the NHL has also partnered with FanDuel and William Hill.

Such deals demonstrate what expanded sports betting can mean, not just for the consumer and the operators, but also for the sports themselves. As much as many look to Europe for the evolution of a regulatory approach which brings benefits to all parties, we are sure the US market will – partly due to the specifics of the ecosystem and to a differing regulatory backdrop – give rise to new and innovative approaches that may well provide a new template for the rest of the world to adopt.

The effect of the expansion of sports betting in the US has been – and will doubtless continue to be – electrifying for the global industry. New partnerships are being forged, global gaming entities have turned their attention to the potential of this new market, and legislators and regulators across the US have a critical role to play in ensuring that the market develops in a healthy and balanced way. ♦



Keith O'Loughlin

◆ SVP sportsbook and platform
◆ SG Digital

Keith O'Loughlin, SVP sportsbook and platform for SG Digital, oversees the design, development, and deployment of the company's OpenSports product suite. O'Loughlin is responsible for delivering product management, direction and project implementation for sportsbook, lottery, bingo and casino platforms across the group.

Featuring: *SG Digital*

Making the most of the US

Keith O'Loughlin, of Scientific Games' Don Best Sports, describes how the sports betting industry can take advantage of the broadening US market

The secret's out – US sports betting is here and growing. Eight states have already passed regulations and launched sports betting to promising initial feedback. Other states are introducing legislation that, if passed, will open the floodgates to a cavalcade of sports betting activity in diverse markets that remained dormant until the Supreme Court's PASPA decision. More than a year following that decision, we're witnessing rapid growth across the US, and stakeholders are readying themselves for new revenue streams, new audiences, and new experiences.

With the industry buzzing, it's easy to get lost in the noise when it comes to sports betting. Countless competing strategies abound, each as theoretically viable as the next. But if you boil the sports betting puzzle down to its barest elements, the question becomes: "How can we keep sports bettors happy?"

From the supplier and operator perspective, it's easy to survey even a small sampling of options and be overwhelmed by the sheer volume of technology and services available. The fact is seasoned sports betting suppliers and newcomers alike are promoting their offerings like never before, and operators are eager to find the solution that will benefit them with quick-turn revenue and long-term reliability. On the flipside, it's possible for a solution to be too robust, bogging down otherwise efficient sportsbook operations. Finding the middle-ground where technology meets speed meets stability is crucial to sports betting success in the US.

Diverse markets need diverse solutions

Talking about the US as a single market for sports betting is doing it a disservice. Like many other

regulated jurisdiction – perhaps even more so – the US boasts a veritable wealth of opportunity to cater to every type of punter imaginable.

Across the country, you'll find players of every taste, background, and sports fandom. Bettors and fans feel ownership over their local teams, and MVPs are discussed and celebrated as if they're lifelong friends. The audience is diverse in its passion for a variety of sports. To be successful in the US, sports betting providers and their partners need to keep a keen eye on the ebb and flow of their audience and the sports they like to bet on. Which players are hot this week? What are the most anticipated matchups? Are high profile events competing for screen time and, by default, the eyes of the audience? The questions themselves seem simple enough, but crafting a sportsbook around them, in response to them, is the true challenge.

Just as players have differing betting habits and needs, operator needs vary equally. A casino running a sportsbook in a more established market may need an amped up trading platform to keep up with the complex bets their punters enjoy. A sportsbook operating in a densely populated area crowded with competition may look for ways to up their online offering to keep their brand top-of-mind with players. And in smaller market where punters primarily enjoy sports betting as a brick-and-mortar entertainment experience, top-notch in-venue kiosks and systems can win more business. Of course, everyone wants a well-rounded offering, but it helps to reach players where they like to bet most. Suppliers and operators can work together to create an all-around betting ecosystem that will engage bettors and encourage new ones to enter the game.

Modularisation yields benefits all around

Once operators have evaluated their audience, done the market research, and have a firm grip on how they will approach their players, the natural next step is launching a polished offering to engage those



bettors and keep them interested in the product. Of course, easier said than done.

As stated earlier, the US is a hotbed for market diversity in the sports betting realm. And a sportsbook offering should reflect that diversity – a one-size-fits-all sports betting technology simply doesn't exist. Instead, the suppliers must create a modularised offering that meets the needs of their customer base without weighing down partners' existing tech stacks with unnecessary functionality.

The US boasts a veritable wealth of opportunity to cater to every type of punter imaginable

Keith O'Loughlin | SG Digital

It is immensely valuable for operators to know their players, and pick and choose the technology that meets their punters' needs to maximise their profitability without providing excess technology footprint. Not only that, customised solutions can also complement and expand operators' existing sports betting services. The mix-and-match approach enables operators to strengthen their sports betting capabilities and punter experiences by rounding out their portfolio, fill-in-the-blanks style.

The compartmentalised solution opens up plenty of additional opportunity where it may have been less obvious before. Naturally, an operator with a sports betting engine will seek out technology and services to drive further revenue, such as a trading platform or marketing services.

Opening up

This is an approach we've adopted with OpenSports to great success so far. By expanding our OpenBet™ product to include elements that cover marketing services, front-end interfaces, trading and pricing, and platforms, we've been able to offer partners betting and related functions on an as-needed basis. It's an approach that brings new opportunities and partnerships to the surface for long-term success.

As the US market expands and we learn more about the wide variety of player tastes, meeting operators in the middle with strong, reliable, and necessary technology becomes paramount. Where a one-and-done solution can foster high short-term returns, a modularised offering can elevate a sportsbook with streamlined technology and services that give players an unprecedented betting experience. Meanwhile, operators benefit from a fully realised portfolio that powers their growth and connection to punters. It's a big win all-around. ♦

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Nicklas Zajdel

◆ Group chief digital & sports betting officer
◆ Intralot

As group chief digital and sports betting officer, Nicklas Zajdel is supervising the digital and sports betting division, being responsible for the development and evolution of the Intralot Orion platform, Trading Operations and Digital products & services. Before that, he served senior positions in Ladbrokes Coral (GVC group), including omni-channel director and managing director of Ladbrokes' digital business.

Featuring: *Intralot*

The future of US lotteries

Nicklas Zajdel, of Intralot, reflects on the company's approach to lotteries in the US and breaks down the value of Intralot's service provision

As of April 2019, sports betting is regulated in nine states with enabling laws passed in two further states and, within the whole of 2019, it is anticipated that bills will be considered in around 32-35 states. On long-term 'size of the pie', we foresee two scenarios, with the first being a fully regulated 'all-50 states, all facilities, all channels' scenario with a potential of \$22bn to \$27bn in gross win and a more realistic one at \$9bn to \$13bn in gross win, with a certain degree of elasticity on the number of states to allow sports betting, facilities, channels, product mix, tax levels, licence fees and the achieved 'illegal-to-legal' shift rate. Of course, we will have to continuously challenge and update such estimates in the coming months based on policy developments and hard data reported by states with lawful sports wagering.

Most pressing policy issues that we believe will influence the development of what could easily become the world's largest regulated sports betting market are tax, including any federal wagering excise or other tax, the fee potentially sought by the US sports leagues and their provision agreements, the facilities and channels where sports betting will be offered, the brands/skins allowed, and the treatment of the Wire Act as well as the outcome of the recent Department of Justice (DoJ) opinion and its subsequent challenge.

US lotteries: the quiet giants

As we have all witnessed in Europe, sports betting is a widely popular activity with a broad audience, and as such, it 'connects' very well to the vast retail network of the state lotteries, ensuring a wider and faster adoption and the outreach of the game in

terms of available ways to play (e.g. anonymous).

This creates a bigger market and benefits for the state, like more revenues to serve good causes and job creation through employment in retail locations. To add to the best-fit dub, state lotteries also possess the integrity and trustworthiness characteristics, the breadth of retail network and experience, and the ability to set the market standards for responsible gaming.

Personalisation, a game-changer

US lotteries' product teams, along with their partners, must create and boost an engaging player experience, powered by speed, simplicity and ease-of-use. One area where change must come sooner rather than later is personalisation where, largely speaking, sportsbooks have fallen behind the rest of the ecommerce world. Intralot has incorporated several personalisation options and features in its new sports betting platform, Intralot Orion, successfully addressing the need for an enhanced player experience in sports betting.

Other trends like retail-online convergence and digitalisation of the retail environment, the participation of a younger demographic and their desire for fast-settling bet types and the socialisation of their activity, are expected to become commonplace in the years to come.

Operations and robots automation

Automation in operations, potentially powered by machine learning and artificial intelligence, are expected to greatly affect trading. Trading rooms in our days are already much different than they were 15 years ago – the gut instinct of an odds compiler has been replaced by algorithms and third-party feeds. In the short term, automation and flexibility will continue to be critical, while the need for everything in real time will prevail. In the longer term, robotics and cognitive automation are expected to shape the operational future. Intralot

Orion is already empowered with automations in its trading tools, including algorithmic pricing models, customer profiling, real-time alerts and safety nets around risk management.

Privacy and compliance, including aspects of responsible gaming, can also be automated and powered with the use of robotics, since a machine can follow regulatory-devised rules better and without errors when compared to a manual approach. The robotics continuum for the trading operations will be seeing more process automations within the next 12 to 18 months and machine-learning empowered applications in our business within the next two to four years.

Spotlight at bet building and in-play innovations

The 'Bet Builder' concept – already present to all major books around the world but not very broadly used within the US – is expected to keep growing in popularity; it has already developed from a soccer pre-match selected matches only, to pre-match and in-play, available on all soccer games and other sports like basketball.

US lotteries' product teams, along with their partners, must create and boost an engaging player experience, powered by speed, simplicity and ease-of-use

Nicklas Zajdel | Intralot

Customers have appreciated the idea of being able to choose and combine markets to their own liking. In many cases, it is now producing an average of 15% of the soccer pre-match GGR and this figure is going up, thus, extrapolating this to the US specifics, we expect a similar case in football and basketball. We will soon see Bet Builder across all sports along with cashout and player/team props available on Bet Builder bets, boosting both players' experience and operators' margins.

On in-play innovations, in-play player props markets are becoming very popular. The live count of the individual player activities across different sports is getting more detailed, and you can now bet in-play on individual shots, shots on target, passes, steals, three pointers, aces, double faults, etc. In addition, bet suggestion messages based on individual customer favourite markets and sports is starting to grow, as well as the dynamic in-play odds for a period, e.g. increasing odds as time period goes on for incidents such as goals (pulse bets).



How's Intralot enabling all the above?

Intralot's Managed Trading Services (MTS), with over 20 years' experience in handling diverse sportsbooks in terms of size, regulatory needs and margin targets, use proprietary models to set up and execute towards the delivery of the operator's payout target. Our sports betting platform, Intralot Orion, currently rolled out to several operators, can help in achieving this in an efficient and safe way.

Our MTS is enhanced with several betting features, which support the whole lifecycle of a trader and player journey across all channels. It includes a wide range of promotions and bonuses, personalised pricing, price boost, bet-builder ability and a detailed cash-out suite. It can simultaneously feed multiple customer online and offline touchpoints, enabling also differentiated risk management per channel.

Intralot Orion is a highly scalable, flexible and configurable platform allowing for an optimal combination of content and services, capable of adapting to local market conditions. Its core trading tools enable for sharp pricing using, for instance, advanced liability calculation tools for parametric liability management, split by pre-match and in-play and, thus, enabling for 1% to 2% better margin compared to other platform setups.

Intralot Orion's risk management is powered by automations and preventive mechanisms like real-time alerting and automated 'safety nets', dynamic and automated limits, restrictions and bet validations. As an example, its automated risk limits configuration ability allows for the setup of a full sportsbook with a single-field adjustment in 3-5 minutes; moreover, an in-play trader is able to handle 20 live events concurrently.

Intralot Orion's customer profiling capability allows for personalisation of pricing and risk management per channel, per player segment, and more. Sophisticated customer segmentation and stake factoring offers the best betting experience for players while increasing retention levels by up to 15%, and also leads to marketing savings of up to 25%, per our metrics. ♦



Eva Karagianni-Goel

◆ Chief commercial officer

◆ Colossus Bets

Eva Karagianni-Goel is responsible for the company's B2B partner network and commercial strategy. She spent her early career in maritime shipping in her native Greece. Before joining the gaming industry, she held leadership positions with global information services provider Dun & Bradstreet in the US and the UK. Eva holds a MBA from the University of Chicago Booth School of Business.

Featuring: *Colossus Bets*

Why gamble?

Eva Goel, CCO of Colossus Bets, considers why gambling has such a lasting appeal

As more states are moving to regulate their sports betting activity, the entire US gambling landscape is set to change for good. But will this impact American attitudes towards gambling? The US is home to Las Vegas, the original modern gambling mecca of the world, but generally tolerant attitudes in some places can contrast sharply with staunchly conservative (often underpinned by religion) attitudes elsewhere. In a part of the world known, among other things, for its vicious culture wars, a framework for gambling stakeholders, from providers and legislators to all citizens, to approach the public debate and hopefully, in time, reach consensus on what can be achieved, feels particularly timely. In fact, the timing presents a unique opportunity for market participants to 'pitch' gambling in the right terms.

Why do we gamble (or why gambling won't go away)?

It's a simple truth that gambling has been taking place as long as humankind has been around. I won't attempt to summarise here the long history of gambling or the large body of modern research that exists on this topic. Although I will say that I find it endlessly fascinating to read about the different uses gambling has been put to through the years – from divination to dividing a dead man's possessions and, perhaps far more mundanely, fundraising for New World educational institutions (the likes of Harvard and Yale were both initially funded with lottery funds). The axiomatic presence of gambling throughout our history leaves no doubt: gambling won't go away. But what drives us to gamble?

Gambling is first and foremost an act of risk-taking. And, to paraphrase Benjamin Franklin, risk-taking is the stuff life is made of. Without it, our species would not have survived, certainly

not evolved to our current dominant state. We wouldn't have gone on that hunt to feed our tribe. We wouldn't have got in that boat to cross the big river or the seemingly endless sea. We wouldn't have conducted dangerous experiments in the quest of greater knowledge. In other words, gambling is our natural state and gambling in the typical sense of the word is nothing less (or more) but a micro-expression of our nature. What we seek is that familiar adrenaline rush when we stake something, anything in life, to reach for a bigger reward.

We can go on to talk about the social and cultural context in which gambling usually occurs. But, risking an oversimplification, there is nothing more fundamental than the impetus of our nature, and our nature underlies all reasons why we gamble.

Why is gambling different than other products or services?

To answer this, let's take a step back from gambling and consider a different consumer scenario: I'm a (hypothetical) woman in her 30s and I spend a significant portion of my disposable income on fashion (stay with me). When I shop online, every step of my browsing journey is 'recorded': what I clicked on, what I added to my wishlist, what I eventually purchased. This information is used by retailers and their marketing providers to relentlessly target me with what they deem as the next most compelling product to me. Let's now say I have outshopped myself beyond what I can afford – my credit card is in the red, I am lying to my husband about it, it has become a constant source of stress. Nonetheless, I find myself justifying yet another shopping expedition. Surgical display ads are reminding me of that dress I left behind. Before I even press the 'buy' button I'm experiencing remorse, but I still go ahead. Have I lost control? Probably. Should a higher authority step in and protect me from the sellers? Not clear. Anyway, this tends not to be the normal way in which such matters are dealt with, and we accept this as the norm.

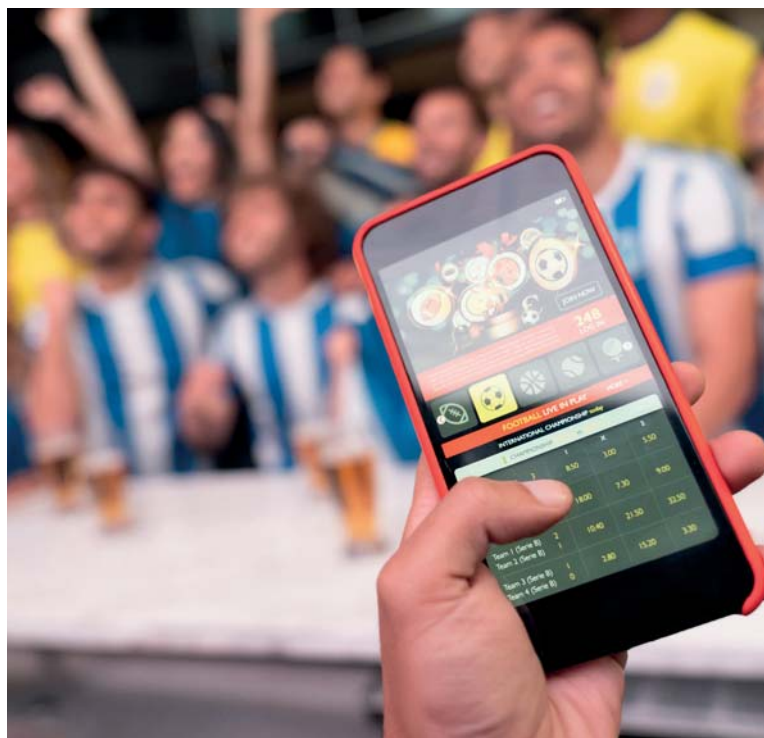
I expect most readers will have alarm bells going off in their heads by now screaming “shopping is not gambling”. I am being deliberately provocative not because I want to advocate that gambling providers should be left alone by regulators. After all, there is plenty of evidence that gambling is addictive for a minority of players and that knowledge alone is enough to justify action, regardless of whether or not other industries are held to the same standards. But I do want to illustrate that the boundaries are not that clear-cut. The distance between what we term as addiction and everyday obsessive consumption that we simply tend to gloss over is far shorter than we allow ourselves to think. This is a consumption-obsessed era and many crumble under the pressure of its expectations. The broader environment in which the harm is inflicted is as important to understand as the product that ‘strikes the final blow’, so to speak. Narrowly focusing on or, in the case of gambling, demonising, the product can miss the mark to the detriment of those we purport to want to help.

Alas, gambling is hounded by singularly negative perceptions. Historically, these perceptions have been rooted in religious beliefs about the morality of gambling, as well as self-fulfilling expectations: attempts to curb gambling, or in the extreme, prohibition, resulted in notorious black markets, which bred or co-existed with other forms of criminality and reinforced the notion that gambling is bad. Today, negative perceptions are, if not the still vibrating echo of a loaded past, mostly driven by the pursuit of political points, which of course gets in the way of the pursuit of enlightened solutions. So perhaps we should finally allow ourselves to consider that what is wrong with gambling is in fact what is wrong with the world. Gambling, due to its intimate connection with our nature, is first and foremost the ‘dark mirror’ of this world, and then the easy scapegoat.

Why should we gamble (or why gambling shouldn't go away)?

We have so far established that gambling won't go away, is not inherently bad and is not as different from other products or services as it's portrayed to be. What's left to discuss is why people should gamble at all, i.e. to what purpose.

The one thing that is clear is that there is a demand for gambling. Does it all go back to satisfying our primordial instinct for risk? Perhaps, but from this point on, more precise answers become



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personal and subjective. For some people, gambling is a form of entertainment. For others, it is a social activity. For others still (and my personal favourite), it is a way of connecting more with content, mostly sports, they otherwise like to follow. (And for Colossus CEO, Bernard Marantelli, calculating odds was his on-course bookmaker father's way of honing Bernard's early maths skills.) Whichever the answer, or all of the above, these are legitimate needs and, abuse scenarios aside, there is no reason why fulfilling them via gambling should be undesirable.

In the end, beyond recognising that a positive role for gambling indeed exists, exactly why people decide to gamble matters less. What is important is that when they do make that decision, they have the freedom to gamble legally, without any stigma, and, ideally, with multiple options to choose from. ♦

This article was originally published on LinkedIn.



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