



# EBR Intel

Report 2019

## Sports betting



- Colossus Bets
- Intralot
- Kiron Interactive
- SBTech
- VAIX



# **KIRON.**

**VIRTUAL  
SPORTS  
REAL  
WINNERS**

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# INDUSTRY-LEADING 1-1 PERSONALISED UX

## CASINO

RECOMMENDATIONS



**120%**

MORE GGR

**↑40%**

GAMES PLAYED

## SPORTS

RECOMMENDATIONS



**140%**

MORE PROFIT

**↑50%**

BETS PLACED

## AND... MOST PRECISE PREDICTIVE INSIGHTS

PLAYER VALUE VS CPA

PLAYER WAGERING

ACTIVE PLAYER DAYS

WISE GUY DETECTION

CHURN ALERT

PLAYER PROTECTION

**↑67%**  
ACCURACY

VS. BI PREDICTIVE ANALYTICS



**VAIX**

DEEP LEARNING

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*Introduction*

# Trends and developments

**T**he EGR Sports Betting report 2019 provides timely insight into the key issues on the minds of some of the egaming industry's most prominent firms.

In a post-PASPA world, everyone has an eye on the US market. The development of gambling in the US market is scrutinised throughout, and the trends, opportunities and future direction within the US is reflected upon.

For companies to get a leading edge with their client base, a personalised approach is becoming more important than ever. AI has proven helpful in giving users a more personalised experience, however deep learning is now coming to the fore, helping to provide greater insights and more probabilistic recommendations for punters than ever before.

With the development of mobile gambling in recent years, Latam and Africa have become key emerging markets in the gambling world, not least for the high volume of bets made on football throughout the African continent each day. The potential treasure trove in each of these markets is highlighted, and consideration is also given to the current challenges and kinks that still need ironing out within these nascent markets.

Elsewhere in the report, the social net-positive effects of responsible gambling are assessed.

In sum, this report covers all the most important trends and developments which our readers should take heed of in 2019 and beyond.

By Ross Law | *Report editor*



# Intralot Orion

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for a truly connected player experience.**

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**intralot**

Certified by WLA for its Responsible Gaming program, INTRALOT is committed to the principles of responsible gaming incorporating them at its best-in-class product solutions and global operations.



**Andreas Hartmann**  
 ♦ COO and co-founder  
 ♦ VAIX

Andreas Hartmann is COO and co-founder at Vaix. He has more than 18 years' experience running product in gaming, fintech and search. As the product director at PartyGaming/bwin.party, he built the core gaming platform and merged the world's #2 and #4 poker networks. Before that, at Yahoo! in Silicon Valley, he built one of the world's first contextual search query understanding algorithms. Hartmann holds a diploma in BA from LMU Munich and four patents.

Featuring: **VAIX**

# The AI sports betting personalisation cookbook

Andreas Hartmann, of deep-learning provider VAIX, outlines the steps providers should take to get more personal with their users, and the options for time-to-market

**P**ersonalisation has been around since the '90s, and over the last 20 years, it has received much attention with sensationalist headlines in the press, with each new development declaring itself as the perfect solution for serving and targeting users. On a second look, however, personalisation wasn't the only reason for the hype, but rather those technologies serving to enable personalisation and allow companies to get closer to their users.

Of course, the hype surrounding new ideas ebbs and flows. In some cases, the promises prove too good to be true and the technology is ultimately unable to fulfil its promises. In other cases, the technology does deliver, and becomes part of the regular fabric of how internet businesses interact with their users, so naturally is not considered remarkable for very long.

Even in gaming and sportsbetting, personalisation is not a new concept. Over the last decade several applications have launched with the intent to 'get more personal' with users. Some, like 'recently played', flourished and are now a default part of casino operators' lobbies. Others have received more of a mixed reception, such as the Favourite feature; it relies on user cooperation which players may or may not give.

Since around 2016/2017, reasonably well-informed internet users and Netflix binge-watchers have encountered the next big thing, a new technology which seems to truly deliver on personalisation. From the less enjoyable retargeting of e-commerce sites serving you a banner from a product

you looked at a few days ago, to the likes of Netflix's recommendations and Spotify's Weekly Discovery feature, suggesting new movies or songs which are amazingly in line with our overall tastes.

The technology facilitating this? Deep Learning (DL). And it doesn't only work in e-commerce and entertainment. Having applied DL to gaming for three years now, before anyone else, we have seen it significantly outperform other AI solutions, as well as work across many more use cases than other technologies did before. DL is responsible for helping to identify the next best bet for a user, no matter if on a busy Premier League Saturday or boring Tuesday, make market recommendations, together with the bonus or free bet the user will most likely react to, and highlight similar events to the one a user recently placed a bet upon.

Sports betting, with its increasingly deep and constantly changing content offering, but absent of an effective method of content curation, has so far only been increasing the paradox of choice and making navigation difficult. Being able to easily discover personal and deeply relevant markets to every user will reap huge benefits, for players and operators.

The following is a quick 'cookbook' for sports operators, based on our experiences over the last few years. The web defines personalisation as "customising the content of an offering based on the user's history, preference and explicit instructions". A broad definition, touching the entire user experience, and requiring multiple data points fed to provide real personalisation of the following: the user's betting history, past activities compared to other punters, the relevance of sports or leagues similar in nature, and more. These are all dimensions which no normal AI algorithm, and only DL, is able to process.

**Step 1:** a mundane, but important, preparation is to keep in mind the business challenges which are most important to tackle, and which Deep Learning should help solve: reduce churn on the first active user day, increase activity of regulars, or improve reactivation of dormant users. Your business challenges will help validate the chosen part of the user journey you want to improve using DL, and to define the model architecture and data output. Always start with the specific business problem, not with AI.

**Step 2:** describe the use case, defining it as narrowly as possible to focus solely on the main business challenge. This makes it measurable, enabling you to show the value of the solution quickly. Make it as simple as possible to build, deploy and measure. Example: to increase reactivation of dormant users, invite them to punt on the matches they really care about.

**Step 3:** to map it back to your business goals, define how to measure success. For activity and engagement goals, metrics like # wagers, repeat visit frequency or detection rate of new sports or markets are examples.

*“Having applied deep learning to gaming for three years now, before anyone else, we have seen it significantly outperform other AI solutions”*

**Step 4:** guided by the above, define a clear objective or problem statement. For example, in alignment with the business goal to maximise business impact, the optimisation challenge for the AI could be ‘predict next event to bet on’. For a more sustainable goal, the objective could be ‘recommend bets to maximise lifetime or repeat visits’.

**Step 5:** define the input to the AI model. What is the data available to train and test the AI? Over the years, VAIX has learned to overcome the challenges of consuming and processing any type of raw or processed data to make it usable by the AI model, as well as find the right mix to not overfit.

**Step 6:** define the output. What should be the response of the AI? What exactly is needed? A list of markets by confidence for a user ID? A list of the

next relevant bets to follow after a specified event? Predicted player wagering for an event? The model output should instantly be usable for a defined follow-on action, like sending an email, push notification or display in the UI.

**Step 7:** what is the output format to fit into your operations. A recommended bet ID, directly written to your CRM system, allows instant use by the promo tool or marketing automation system, connecting trigger, promised action and business value. Having a partner handle all those integrations and integration formats, from push to pull, saves you time and budget.

Finally there comes the decision to build or buy. Both options have their pros and cons. The biggest advantage of the ‘build’ option is control and creating expertise in-house. However, this happens at a cost. Aside from resource and infrastructural cost outweighing an external solution, the biggest factors are opportunity costs: failing to deliver other company initiatives around a new market or regulation, lost time to market caused by ramping up the team internally (from those busy BI and back-end dev teams) and managing constant distractions with other priorities. And finally, delay due to learning and experimenting to get to a first model. All compelling reasons to first give an external solution a chance.

The biggest advantage, however, is to approach AI as a pure business challenge, leaving tech challenges and heavy lifting to the partner. From data pipeline over extensive model iteration, to performance tuning to take the traffic.

With years of experience, VAIX’s DL-powered personalisation platform Rightbet, outperforms both rules-based systems and conventional AI recommenders by more than two times, showing how effective DL can be. It already supports a dozen use cases, from deeply personalised recommendations for events & markets, pre-match and in-game, favourites & similar events, teams and more, both personal and location-based.

Our strong belief is that in two to three years, companies will offer AI and personalisation services like Mailchimp or Drift are offering email services today. Operators will choose whichever service offers best quality and value. This is already happening in other industries, and is on the way to online gaming. Getting ready with a simple checklist and trying your first specific use cases with a trusted partner will be a good start. ♦

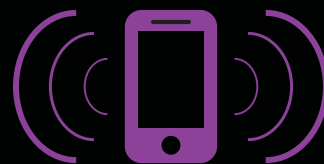


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**EGR** is the leading intelligence and networking community dedicated to the online gaming industry. Whatever your role and its challenges, our specialist networks will give you the tools to improve customer acquisition and retention, benchmark against peers, comply with regulations and guide decision making.



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Data and performance and statistics



Market & Competitor Analysis



**Andrew Cochrane**

♦ Chief development officer  
♦ SBTech

Andrew Cochrane is an experienced egaming and sports betting commercial executive. In his role as chief development officer at SBTech he manages international business development and expansion, revenue management and commercial partnerships for the leading egaming supplier.

Featuring: *SBTech*

# State lotteries

Andrew Cochrane, chief development officer, of SBTech, highlights how the firm serves to drive revenue for the private sector while also promoting responsible gambling

**L**otteries play a huge role not just in the gaming industry ecosystem, but also in our everyday lives, with large percentages of lottery revenues helping to support and fund a wide range of good causes from education and caring for the elderly, to enabling top athletes to compete for medals in the Olympic Games. According to the World Lottery Association (WLA), its members returned a staggering \$82.3bn to society, while also promoting the lottery industry's core values of integrity, security, fair play, and responsible gaming.

SBTech has a rich history in driving revenue for the private sector and, since 2017, has worked with several WLA members lotteries, achieving the same above-market growth curves in the lottery sector as it does for many leading egaming brands in more than 20 regulated markets.

## Digital shift

In recent years we have seen a significant shift towards digital investment in the lottery market with many organisations looking to expand their digital market share and diversify their source of revenues into other verticals such as sports betting, all of which contributes to increasing funds for good causes which lotteries play a vital role in supporting.

SBTech has spent the last 10 years working closely and providing tier-one operators with its powerful sportsbook solutions that enables its customers to compete in their local market. Traditionally lotteries have struggled to compete online with the private sector, largely due to the systems they use which lack the flexibility and innovation to drive digital player engagement.

However, SBTech has changed the game and, in recent years, we have partnered with several WLA

members across various markets, delivering tailored sportsbook solutions that have helped to significantly broaden their player base, attract new and diverse customer groups and responsibly grow their revenues that are used to assist local communities.

In addition, WLA members have stringent requirements around scalability, compliance, data security and corporate social responsibility, and suppliers must adhere to these guidelines and high standards. We take compliance very seriously and over the last ten years have built rigorous systems and put meticulous processes in place to ensure we meet every requirement. Our work within the lottery sector has also enabled us to further enhance these areas and improve our overall proposition for all our partners.

By onboarding more WLA members, we are continually expanding our industry knowledge, which in turn helps us to achieve even higher standards of social responsibility, how we operate and how we deliver meaningful experiences to players.

*"By onboarding more WLA members, we are continually expanding our industry knowledge"*

## The winning ticket

Working with WLA members' partners and winning further lottery contracts is a core focus and key growth area for SBTech. Successfully completing complex RFPs and rigorous due diligence procedures has been a major achievement for the business in recent years. Our experience of working with lotteries has given us a deeper understanding of the way they work, their values and goals, while the results we have generated has shown that our flexible, agile and feature-rich technology, product suite and services complement their offerings to create a unique and highly responsible and profitable proposition within their local markets.

Typically, WLA members have an established brand presence in their local markets, often supported by extensive retail outlets, and a loyal and signifi-



cant number of active players across several product verticals. This is a strong base to embark on a new product vertical such as sports betting, which is why we are focused on securing these opportunities.

We thoroughly evaluate every new business opportunity and have a proven track record of growing our partners' revenues regardless of whether they are established operators or new local brands. Our technology supports their business-critical systems, and in the last decade, we have demonstrated that we can deliver exceptional results for tier-one egaming operators and lottery organisations.

#### Delivering revenue generating differentiation

By working with us, our WLA partners we can diversify their offerings and grow their customer base. Our speed to market is unrivalled and we can quickly deliver innovative and exciting opportunities to their active customers and new players, offering them a new and improved digital and multi-channel user experience. This in turn means we have more data to analyse and we are constantly able to enhance our solutions to match their needs.

We have launched several sportsbooks for lottery clients including Danske Spil's (Danish Lottery and WLA member) new challenger gaming brand Youbet.dk in early 2018. Danske Spil selected our award-winning full platform solution including our industry-leading sportsbook and online casino hub. We have also recently secured a multi-year extension to our partnership with the Czech Lottery Sazka, with whom we have provided a localised sports

betting solution for the Czech market since 2017.

When a new partner signs with SBTech, sustainable and responsible revenue growth is their core objective, and we help them achieve this faster and make their brands go further than any of our competitors. Gaming markets are often crowded; however by using our flexible, agile, and localised approach and innovative technology, we offer them a differentiated and personalised product suite, tailored risk management strategy, user interface and an overall user experience that is ideally suited to lottery operators worldwide. ♦

## About SBTech

SBTech is an award-winning, global leader in omni-channel sports betting and gaming technology powering the world's largest operators, state lotteries, land-based casinos, and horse racing companies.

Founded in 2007, and with more than 1,100 employees in nine global offices, SBTech has developed the industry's most powerful, innovative, data-driven online sports betting and casino platform, serving licensees in more than 20 regulated markets.

The group supplies highly flexible and scalable, omni-channel betting and gaming software solutions to clients looking for exceptional configurability, differentiation, and the quickest route to market, complemented by proven business intelligence and reporting capabilities.

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](http://www.sbttech.com)



**Bernard Marantelli**

♦ Founder and CEO  
♦ Colossus Bets

Bernard Marantelli is the founder and CEO of Colossus Bets, award-winning provider of the world's biggest sports and racing jackpots and pioneer of Cash Out and 'crowdfunded' Syndicates. Today, Colossus jackpots are live with 60+ operators globally, including Betfair, PAF and Betway Africa, whereas the company's patented Cash Out technology has been applied to other forms of betting and gaming, including multi-leg racing bets and online slots.

Featuring: *Colossus Bets*

# You can call me Kingda Ka, Miley

Colossus Bets' CEO, Bernard Marantelli, provides his views on entering the US market and looking for the next innovation

**Y**ou've joined the long queue in the scorching heat. You are excited but nervous. You look up to what awaits you – dizzying heights or exalted upside? As you are approaching the gate, you find yourself questioning if it is really sensible to go ahead. Faking casualness, you peek at the board for the weight and height thresholds, plus the health and safety warnings. You make sure your peers do not spot your hesitation. And then your turn comes up and there is no looking back. You've now boarded the great American rollercoaster – the newly open US sports betting market.

Regardless of how the recent US Department of Justice (DOJ) opinion on the Wire Act is interpreted and how long the renewed debate lasts, last year's striking down of PASPA has already precipitated a tsunami of change in the US market that cannot be reversed. European operators and platforms have rushed to form partnerships, headhunt local talent and set up operations in hot pursuit of first-mover advantage. DraftKings and FanDuel swiftly moved to cross-sell their customer base to sportsbooks, as well as leverage their brand to reach new sports bettors, with the former so far seen as being ahead of that race. Land-based operators have been pulled into partnerships to put their own brands and distribution to work. As for the sports leagues, they haven't wasted a moment in staking their claims on the still-baking American pie, while various media and content providers are circling around and salivating over rights ownership or just content access. Not quite what Miley Cyrus had in mind, but it's definitely party in the USA. And we are all still arriving.

## A colossal ride like no other

It is in this context of creative chaos that Colossus Bets, like other entrants, is trying to put in place a US strategy with legs for the future. However, unlike other entrants, we do not fit the definition of a sportsbook, nor of a platform provider. We are unique in going to market as the only specialist provider of pools betting, with our innovations of leg-by-leg Cash Out and Syndicates 'crowdbetting', not to mention an extensive US patent portfolio to offer IP protection for these innovations.

So far so good, but here is the 'catch'. In this market, we are dealing with the not insignificant challenge of state-by-state disaggregation – so a single market only in name. Whereas for other providers, this translates into a multiplier over the regulatory onus they have to assume, for us, it also translates into uncertainty over shared liquidity across state lines and therefore over our ability to offer our 'bread-and-butter' proposition of global, lottery-sized sports jackpots across regulated states. We can and will obviously consider the provision of standalone i.e. state-specific pools, especially in states, like New Jersey, where the size of the market can command the necessary level of liquidity to support a standalone pool, as a precursor to what we see as the ultimate commingled proposition. The most obvious precedent comes from the US mega-lotteries and, perhaps more applicable, the All American Poker Network (AAPN) that brings together liquidity from Nevada, Delaware and New Jersey, with West Virginia in line to join in next. Of course, the controversial DOJ opinion may put a halt to the latter but, at least for now, we have to wait and watch.

Luckily, while cross-state sports jackpots are in the freezer, there are other aspects of our proposition that are finding fertile ground in the States. We have always regarded ourselves first and foremost



as a tech company, taking pride in the fact that everything that we deliver under the Colossus brand, whether it is risk management, cash out offer algorithms or end-user UX/UI, is actually built in house by our team. Beyond the general level of control this affords us, it also means that we can pivot more easily or follow a diversified strategy as required. With this in mind, there are two main areas of interest for us in the US at the moment.

First, a proposition that bridges the familiar player experience of daily fantasy games with the emerging player experience of sports betting. We have long thought of Colossus as a bridge proposition between traditional (fixed-odds) sports betting and the lottery. Now, we are gearing up to offer a bridge of a different kind by launching the first ever fantasy MVP jackpots. These are structured as multi-leg games with our usual USPs of big prizes, cash out and syndicates but instead of the outcomes of matches, players will be guessing the MVP of each match, employing the DFS scoring system, which also qualifies the offering as a skill game.

Second, a 'wrapper' of pre-existing pools of liquidity with our USPs. Betting on horseracing has enjoyed an exception from the Wire Act (that stands under the new DOJ opinion), which gave rise to the American totes and the Advance-Deposit Wagering (ADW) providers that control that liquidity. However, as is the case for pools betting globally, innovation and modernisation have been lacking. This state of affairs can be tolerated in a PASPA world, where the availability of 'real' betting is limited, but in a post-PASPA world, where the competitive landscape is redefined, it acquires new gravity. Because these providers are no longer competing just among themselves, they are competing with the new entrants that are effectively vying for the same betting eyeballs and wallets. In principle, the ADWs are also well-placed to capitalise on the expanded betting market on the basis of their established distribution networks, so where we come in is to provide the innovation catalyst in the form of cash out offers and syndicates functionality delivered to them 'as a service'. Our involvement in North American racing has now also received its formal blessing in the form of the recent granting of our totalisator licence by the Oregon Racing Commission.

#### It's not all about the US

Despite all the long-term planning and development under way, we continue to treat the US as an aspirational strand of our overall global strategy as opposed to the be-all and end-all of it. The Colossus



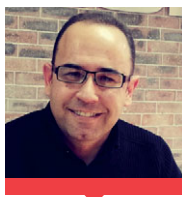
*“Ultimately, our mission is lottery-sized sports jackpots with modern features that can be enjoyed by a new generation of players all over the world”*

partner network, players and liquidity have gone from strength to strength. The addition of British and Irish racing to our portfolio last summer, the emergence of Africa as a strong region for football jackpots and the gradual ascent of the Colossus brand as a synonym for “the world’s biggest sports jackpots” have all been significant parts of the success story.

And on the reverse, the thinking employed for the US market finds applicability elsewhere in our network and global strategy. We have received interest for our Fantasy MVP jackpots from non-US based operators and US racing pools are not the only existing pools of liquidity that can use a Colossus ‘makeover’. Ultimately, our mission is lottery-sized sports jackpots with modern features that can be enjoyed by a new generation of players all over the world, regardless of their location, content preference or historical affiliation with an operator. So yes, we are going to the US but we are also ‘taking the US’ to the rest of the world. ♦

Featuring: *Kiron Interactive*

# Africa and Latam emerging markets focus



## Steven Spartinos

◆ Co-founder and co-CEO

◆ Kiron Interactive

Steven Spartinos is co-founder and co-CEO of virtual games provider Kiron Interactive. Established in 2001, the specialist supplier now services web, mobile, and land-based sportsbook and casino operators on five continents. Prior to joining the betting and gaming industry, he worked in banking and finance.

Steven Spartinos, of Kiron, analyses the opportunities in the nascent African and Latin American betting markets

**W**ith the European egaming market more saturated than ever, it's no surprise to see operators looking further afield when it comes to growing and enhancing their brand in a cost-effective manner.

The United Kingdom has long been the trendsetter in terms of what to do in the market. The high street is awash with retail outlets, many of which also work online and have downloadable apps.

In fact, the popularity of online gaming has attracted a number of offshore operators all looking for their slice of the pie.

To help support the large number of operators working in the market, regulation allows them to sponsor football teams and horse racing events as well as advertise on television and radio.

However, the number of operators within these markets is driving costs up as there simply aren't enough opportunities to go around, with the same big-budget firms snapping them up.

Those that do get a slice of the pie rarely get a value-for-money deal regardless, so one step forward can still seem like two steps back, especially for those working with tighter budgets.

Many operators have foreseen the saturation of the UK market and moved into other areas of Europe such as Italy. However, that idea was quickly halted by a ban on gambling adverts. This has left many operators and suppliers alike to cast their eyes further afield, not only grow to their footprint, but also to do it in a way that provides better value for money and long lasting value.

Emerging markets such as Africa and Latin America are presenting brands within the industry with a chance to put roots down early and evidence suggests that it's certainly worth the investment.

Government statistics show that more than 50% of Southern, East, Central, and West African adults place sports bets on a regular basis, with Kenya and Nigeria among the largest markets.

In fact, according to a recent study, a whopping 60 million residents of Nigeria aged 18-40 are active sports bettors who spend an average of \$15 (3000 Naira) per day on sports bets. Much like large parts of Europe, football is the dominant sport on the continent, and with hundreds of players of African descent playing in Europe's top five divisions, it's no surprise.

With African's love for the beautiful game, it's also no surprise to learn that football is the most popular sport to bet on in Africa. It also gives Africa the potential to be one of the most lucrative sports

*A whopping 60 million residents of Nigeria aged 18-40 are active sport bettors who spend an average of \$15 (3000 Naira) per day on sports bets*

**Steven Spartinos | Kiron Interactive**

betting markets in the world. In sub-Saharan Africa, gambling has become a multi-billion-dollar business and analysis by Dublin-based Research and Markets suggests the market could be worth \$635bn by 2022.

Of course, Africa has its fair share of challenges for those looking to establish a successful business on the continent. Laws vary significantly from one country to another and are often subject to interpretation and change. Further, many countries have yet to put meaningful regulation in place.

Poor infrastructure leads to operational challenges and slower growth, while betting trends, such as mobile versus retail, and user behaviour differs vastly between markets, as do payment methods on offer and level of taxes.

It's a similar story in Latin America. With a pop-



*Featuring: Kiron Interactive*

ulation in excess of 600 million, the betting and gaming opportunities are significant. Much like in Africa, mobile gaming is booming, with an upsurge in handheld technologies as well as affordable internet connections making betting in both markets easier and more viable than ever.

More than 90% of mobile users in Brazil under the age of 34 have a smartphone, while African operators have partnered with top mobile phone operators to link mobile money services.

Both markets are principally land-based, but the continued growth of mobile use and the affordability of handsets and connectivity, means they offer attractive growth prospects for mobile business. The transition from retail to mobile is a challenging one and the warning signs are there for those that don't thoroughly research these markets and make appropriate decisions with local knowledge.

Afterall, it wasn't all that long ago that certain big-name operators were left behind when underestimating the value of switching from the retail to online space in the UK and Europe. But already in Latin America internet use via mobile has recorded double-digit growth year-on-year and that will only continue to rise as technology and infrastructure develops.

Like Africa, Latam has its own challenges. Without that local knowledge and key insight, an operator has the potential to make lots of costly mistakes. Understanding regulation, as well as what a player wants and tailoring your offering to the market in question, whether it's Latam or Africa, is pivotal to becoming a successful player in these markets.

A key understanding of the landscape, as well as the ability to tailor our products to a local players' tastes, is something Kiron works hard to achieve as it looks to help operators in these markets achieve their growth objectives.

The upturn in millennials within these markets having access to mobile phones and a love of sport, in particular football, has provided Kiron an attractive target audience to offer its popular virtual sports to. Boasting 18 years of experience, Kiron's 22 virtual games portfolio is the largest in the industry and features a wide range of traditional as well as innovative game titles.

By working in more than 50 countries across five continents, the virtual sports specialist has assisted in taking some of the strain off of operators expanding into these markets, in ensuring growth objectives are achieved and brand values are maintained.

For example, Kiron's Betman omni-channel bet management solution has been designed to consider the operational requirements for many of these emerging markets, including player preferences. Together with localised versions of its games, Kiron is able to offer a profitable end-to-end solution to local operators.

As a sports-mad continent with a rapidly growing young population and high mobile phone penetration rate, it's not difficult to see why sports betting Africa is expected to boom in the coming years. Add to that the potential of the ever-growing Latam market and it becomes a case of whether operators are brave enough to miss out rather than brave enough to take the plunge. ♦



# ONWARD AND UPWARD

## The bar has been set.

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# Sports betting: the omni-future ahead of us

Bill Demakakos, of Intralot, considers where the sports betting industry is headed in 2019 and beyond

**F**aced with slowing growth and, to some extent, lack of innovation, operators, including state lotteries worldwide, urgently need new ideas and preparation for the player-first and omni-world ahead of us.

In this editorial, we will explore the environment we are operating in, the trends and what to expect in sports betting (SB) product and operations, so all operators ecosystem are better prepared for the future and select technology and services partners that can lead them in this new world that is developing.

Not all operators, of course, are in the same stage of maturity as far as sports betting is concerned, with the most recent example of US getting prepared for the post-PASPA world. No matter the stage you are at, though, as a state lottery or a SB private operator, the following environment is actually shaping your future. Let's take a look at it.

## The age of the customer

We are in an operating environment where the player is in a dominant position, being better informed, better connected and, thus, more demanding in all areas of the engagement. Players expect instant access to options and personalised offerings. They demand speed, simplicity and ease of use in all touchpoints, thus creating an omni-business mandate.

But how to move towards such a "player-first" omni-business? This is not as simple as it looks, and it is much more than pure channel harmonisation; offering the same superb experience throughout all channel options is about building an architecture of fundamental capabilities across the entire enterprise value chain and spanning the

product base, supply chain, partnerships and the core technology.

## Get personal and listen to the crowd

Sports betting, thus, is becoming more customer focused, personalised and "on-demand" than ever with new products shaping up to offer new opportunities. Players can now largely have a bet that is unique as it has been built or suggested by themselves; they are also given the freedom to amend their bet at any time. Product teams must create and boost an engaging player experience, powered by speed, simplicity and ease-of-use. An area where change is coming sooner rather than later is personalisation. Technology can certainly help and Orion, Intralot's new sports betting platform, already incorporates personalisation and its capabilities in product and player-facing modules as well as in risk management via our pricing differentiation per channel.

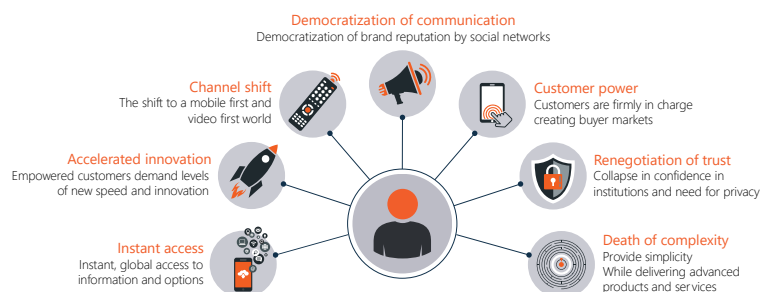
Younger demographics will bring along their needs for fast-settling bet types and the socialisation of their activity; they share everything, and so they are already sharing their bets in private conversations or even posting them online. On the offering, high-profile team and player props are also expected to be dominant, supporting the overall



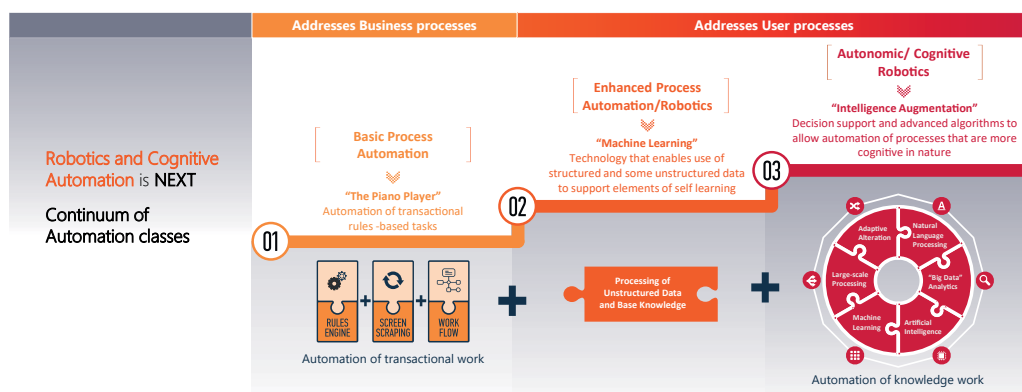
**Bill Demakakos**

◆ Group director of betting  
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With overall 24 years of product strategy, technology and business consulting experience coming from Intralot, KPMG and Vodafone, Bill Demakakos is responsible for the betting product and platform design and commercial drive, as well as Intralot's Managed Trading Services (MTS). He holds a BEng, MSc, and MBA from Michigan State University, MI, USA.



Better informed, better connected and more demanding customers.



“money-tainment” concept. Lastly, crowd wisdom has already been used by operators, to a certain extent, so that every participant can potentially benefit.

Other product trends include retail-online convergence, digitalisation of the retail environment, player interactivity enhanced by “bring-your-own-device”, and the overall need for modernisation of a rather traditional sales network. Consumers who shop in-store, also want the buying convenience provided by e-commerce. New in-store experiences will be created to drive player engagement, even with the purchases ultimately taking place later – in-store or via a personal digital device.

#### Robotics beating the house?

Trading is expected to be highly affected by automations which incorporate technologies such as machine learning (ML) and artificial intelligence (AI). Trading rooms have significantly changed in the last years; giving room to algorithms, data and 3rd party feeds instead of the gut instinct of an odds compiler. Although, automation and flexibility will continue to be critical, while the need for everything in real-time will prevail, in the longer term, we expect robotics and cognitive automation to shape our operational future.

The continuum of automation classes, collectively dubbed as robotics, consists of (a) what I call the “Piano Player”, i.e. a basic process automation where routine tasks get powered by the machine and volume counts, (b) Machine Learning (ML), where technology enables use of structured and some unstructured data to support elements of self-learning and (c) “Intelligence Augmentation”, where we have decision support and advanced algorithms to allow automation of processes that are more cognitive in nature. Trading operations throughout the

life-cycle of a pre-match or an in-play event include some, or all, of the task types that are better suited to be empowered by robotics: manual, transactional, repeatable, error prone, high-volume, pattern behaviour, complex, massive intelligence. The benefits of robotics, as they have started to show in other industries, largely include quality boost, accuracy, error-free routine tasks’ execution and speed.

#### Players expect instant access to options and personalised offerings

**Bill Demakakos | Intralot**

Privacy and compliance will adopt the use of robotics, as the machine can follow regulatory-devised rules better and without errors compared to manual practices. For example, facial recognition and age estimation can enable a self-service terminal’s (SST) to determine whether it will allow the player in front of it to engage.

In my opinion is that we will be seeing more process automations in the forthcoming months and machine learning (ML) empowered applications in our business within the next years, though we recently witnessed an AI-powered predictor out of Silicon Valley beating the house, with an accurate winning estimation percentage on a set of 200 National Hockey League (NHL) games over a 20-week stint being 61% vs. 55% of Las Vegas odds makers.

In fact, our sports betting product and technology development teams have already empowered Intralot Orion with automations in its trading tools, including algorithmic pricing models, customer profiling, real-time alerts and safety nets around risk management and further advance our robotics journey by enhancing our platform’s capability for personalisation boost. ♦



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# WORLD-LEADING

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