

**EN: North
America**

October 2022



Quarterly Report

- Rush Street Interactive CEO and president Richard Schwartz
- Eilers & Krejcik Gaming analyzes the main market trends
- Ranking new and established online gambling states
- Disney's expected foray into sports betting – the search perspective
- How operators can capitalize on the new NFL season
- Taking a progressive approach to customer relationships



Rapid US Growth Through Unrivalled Speed to Market

- NEW
- ACTIVE
- COMING SOON

Our rapid expansion across North America continues, offering a first-to-market solution that enables customers to capitalise on this fast-growing and rewarding market.

We provide award-winning, innovative products and services; delivering secure, seamless connectivity for our customers. This includes public cloud, private cloud and AWS Outpost enablement throughout regulated states.

Trusted with the world's most valuable information, our security solutions defend critical infrastructure against an ever increasing number of threats. From comprehensive threat detection and response capabilities via our state-of-the-art 24/7 SOC to DDoS and WAF, we have it covered.

70+ locations globally.
Live in 20+ states.
New sites launching in 2021.



Nick Nally | Managing Director – Americas | nick.nally@continent8.com

DATA CENTERS

USA

- ARIZONA
- ARKANSAS
- CALIFORNIA
- COLORADO
- CONNECTICUT
- FLORIDA
- ILLINOIS
- INDIANA
- IOWA
- KANSAS
- MAINE
- MARYLAND
- MASSACHUSETTS
- MICHIGAN
- MISSISSIPPI
- NEVADA
- NEW JERSEY
- NEW YORK
- OHIO
- PENNSYLVANIA
- TENNESSEE
- TEXAS
- VIRGINIA
- WASHINGTON DC
- WEST VIRGINIA
- WYOMING

CANADA

- MONTREAL
- TORONTO

LATIN AMERICA

- ARGENTINA
- COLOMBIA
- MEXICO
- URUGUAY



Editorial

Editor

Robert Simmons
+44 (0)20 7832 6638
r.simmons@egr.global

Managing editor

Melanie Dayasena-Lowe
+44 (0)20 7832 6561
m.dayasena-low@egr.global

Digital editor

Julian Rogers
+44 (0)20 7832 6689
j.rogers@egr.global

News editor

Joe Levy
+44 (0)20 7832 6563
j.levy@egr.global

Reporter

Matthew Wojciow
+44 (0)207 139 1593
matthewwojciow@egr.global

Production

Head of design
Jack Dougherty

Head of production
Charlotte Sayers

Stock images

iStock/Getty Images

Commercial

Group commercial director
Sam Compagnoni
+44 (0)20 7832 6554
s.compagnoni@egr.global

Commercial manager

Debbie Robson
+44 (0)20 7832 6551
d.robson@egr.global

Content sales team

+44 (0)20 7832 6512
membership@egrmagazine.com

CEO

Charlie Kerr



EGR North America is published monthly by Pageant Gaming Media, One London Wall, London EC2Y 5EA
ISSN 2049-9876

Printed by The Manson Group ©2022 all rights reserved. No part of this publication may be reproduced or used without the prior permission from the publisher

/EDITOR'S LETTER/

This issue...



Welcome to the latest and last *EGR North America Quarterly Report for 2022*. And, as the year moves inexorably to its conclusion, industry pace in the US continues undaunted. This quarter saw two significant events in the US operator calendar; the start of the new NFL season and the EGR US Power Summit 2022, which took place in sunny Laguna Beach, California in the middle of September. It is perhaps fitting that the summit took place in California, a state which is the focus of so much scrutiny and fervent lobbying as competing sports betting ballot initiatives do battle against each other. In an increasingly ugly contest, the tribal-backed Proposition 26 and its commercial operator-backed rival Proposition 27 have levied millions of dollars in funding on currying favor with Californians. However, if the sentiments of some of our event attendees at the EGR US Power Summit are anything to go by, it may be a lot of money for no reward for both sides in November.

Other notable headlines this quarter included Kansas' record-breaking push towards regulated sports betting, which saw the state move from legislation to launch in just 115 days. Part of the rationale for the drive, state officials confirmed, was the impending NFL season start, which saw the usual upsurge in

activity across the 31 states plus DC with legal sports betting.

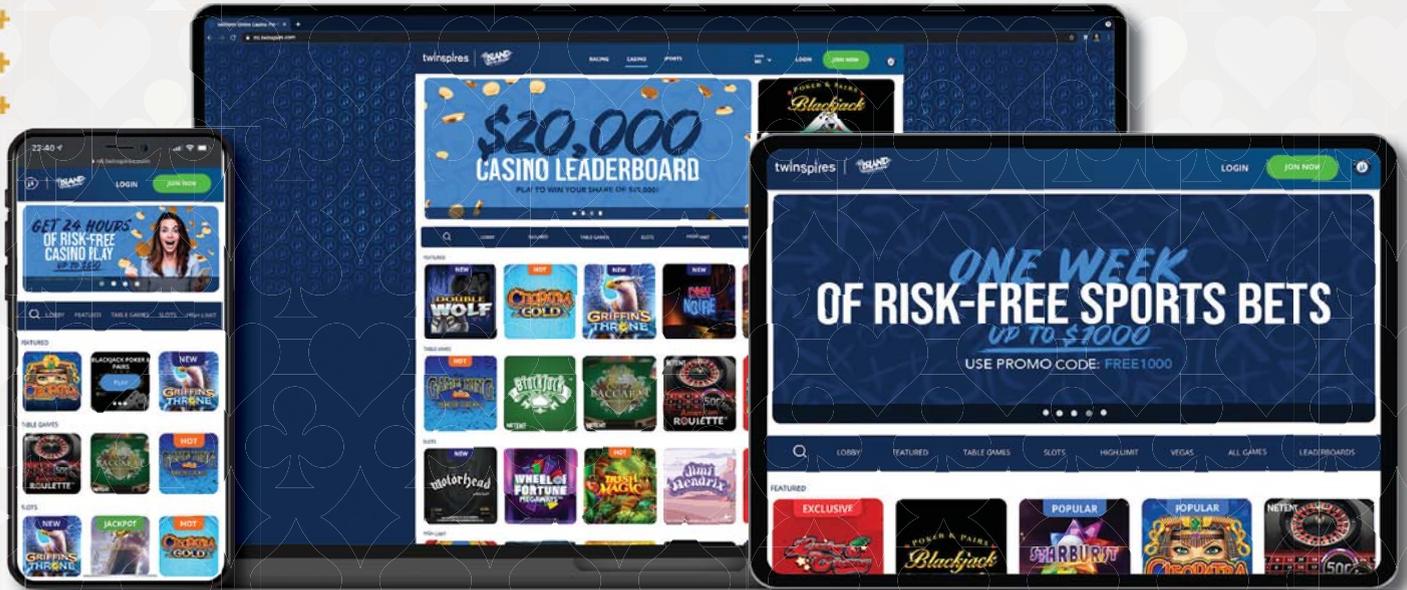
Moving with all the pace of a snail, Ohio continued its own journey to sports betting throughout the quarter. The other main headline maker was Massachusetts, where legislators met late into the night on August 11 to push the state towards a sports betting launch. Elsewhere, Maryland Governor Larry Hogan waded into the state's pedestrian push towards regulated operations by firing an explosive letter decrying the regulator there, a rocket which has since found its mark (albeit slowly).

This quarter's report features our regular contributors Chalkline, Eilers & Krejcik Gaming, ICS-digital, Online Gambling Quarterly, and BonusFinder. Our featured interview is with Rush Street Interactive president and CEO Richard Schwartz, who lifts the lid on the BetRivers and PlaySugarHouse operator's strategy in the US and how the industrywide marketing blitzkrieg could benefit BetRivers.

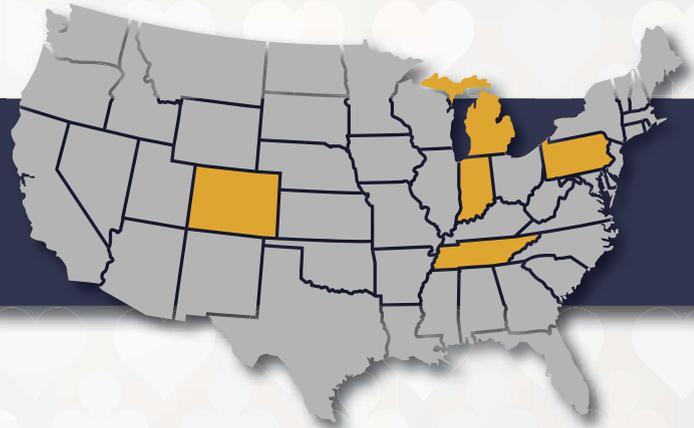
Editor
Rob Simmons

YOUR OMNI-CHANNEL BLUEPRINT

LAUNCH WITH GAN's REAL-MONEY GAMING & SPORTSBOOK SOLUTIONS



Now Powering Sportsbook & Real-Money iGaming Across Five States for twinspires >>>>



> Universal Platform

End-to-End Solutions for an Omni-Channel Experience & Loyalty Linking

> Managed Services

Risk, Trading, Retention Marketing, User Acquisition, and Customer Services

> Responsible Gaming

Regulatory Experience with Zero Licensing or Compliance Risk

GAN[™]

GAN.com



@GameAccountNetwork

Contact us today for
more information:
sales@GAN.com

[Contents]



DATA



06 Sports betting and gaming tracker

EGR North America presents data from our online sports betting and gaming tracker, with a focus on Arizona and Louisiana

08 SEO snapshot

Martin Calvert, marketing director at ICS-digital, looks at speculation concerning Disney's move into sports betting with ESPN, assessing a potential sportsbook future for the House of Mouse

10 US sports betting market trends

Adam Krejcik and Chris Krafcik from Eliers & Krejcik Gaming analyze the latest market and policy movements across the regulated sports betting landscape

12 Conversion corner

Daniel Kustelski, CEO of Chalkline, examines which strategies operators are using to acquire football bettors and what part bonusing plays, particularly in Pennsylvania, Michigan, and Colorado

14 Fall 2022: Affiliate and SEO analyses

The Online Gambling Quarterly provides a vertical/segment-specific analysis of US online gambling operators' affiliate and SEO activities

16 BonusFinder Bonus Index: Who will offer the best experience?

BonusFinder presents the latest Bonus Index data on newly launched and upcoming states to reveal where in the US betting customers will benefit most, based on the total amount of welcome offers available in each state and the average amount of bonus available

FEATURE



18 Q&A: Making haste: How RSI is capitalizing on the growth of US and Canadian sports betting

EGR North America talks to president and CEO Richard Schwartz about Rush Street Interactive's expected push into poker, Ontario sports betting, the operator's performance in New York so far, and how the US marketing war could benefit the BetRivers sportsbook and PlaySugarHouse online casino brands



VIEWS



22 Making the most of the new NFL season

Flows director of sales Domenico Mazzola investigates how operators can use data to best serve customers looking for unique experiences from NFL betting

23 Forward thinking: A progressive approach to customer relationships

Susan Quach, OpenBet's senior director for customer experience, highlights the value of customer success and the role she plays in developing such an important function

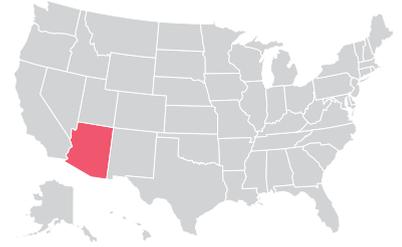
24 The state of play

EGR North America's quarterly analysis on the latest US sports betting legislative movements and developments



6 \ Data analysis State-by-state tracker

Arizona betting and gaming tracker



When was sports betting regulated?

A new sports betting compact was signed between the state and gaming tribes on April 15, 2021, before being published on the Federal Register on May 24, 2021. The market launched on September 9, 2021.

Regulator details

Arizona Department of Gaming
Suite 202,
100 North 15th Avenue
Phoenix, Arizona
AZ 85007
PIO@azgaming.gov
Director: Ted Vogt

Is sports betting permitted online?

Yes, sports betting is limited to 10 tribal casino operators, 10 professional sports venues/ teams, and includes 10 limited event wagering licenses issued to racetracks and off-track bookies.

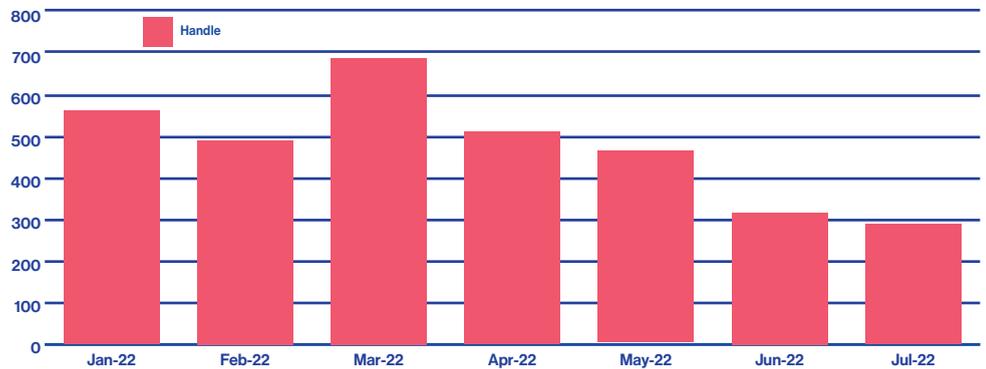
Is there any specific legislation for DFS?

Arizona never permitted DFS, yet when sports betting launched in September 2021, it allowed DFS brands to operate.

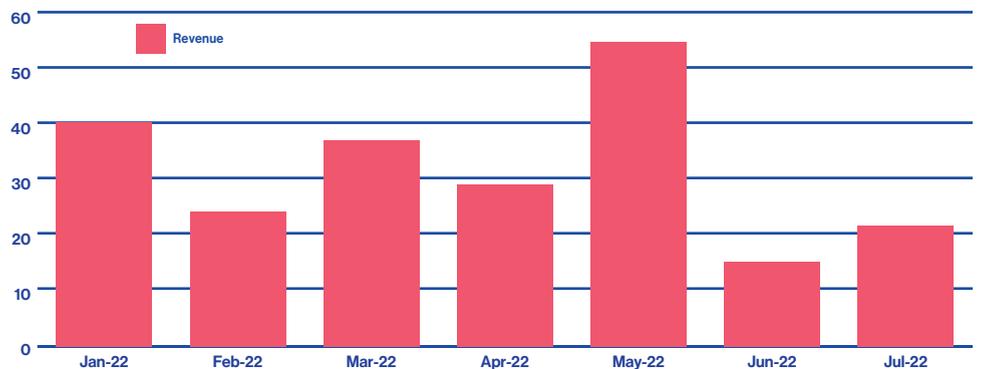
What is the tax rate?

10% for online sports betting and 8% for retail.

Monthly sports betting handle – B&M and mobile combined (\$m)



Monthly sports betting revenue – B&M and mobile combined (\$m)



Go live date
Sep 2021



Sports betting handle
\$290.5m

Data from July 2022



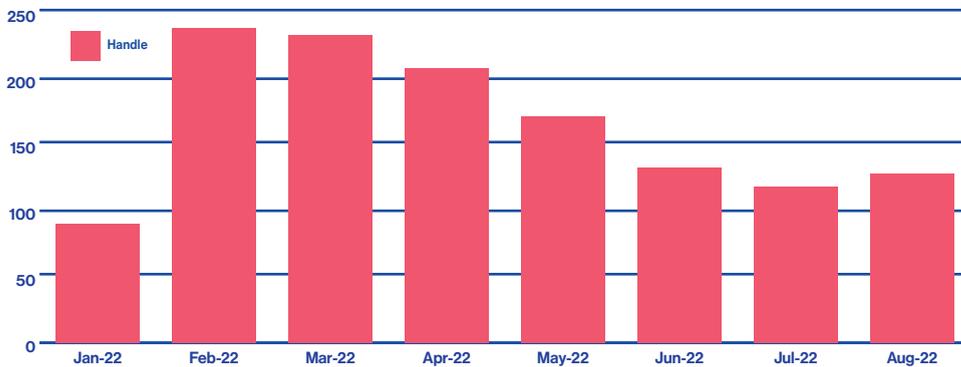
Population
7.3 million



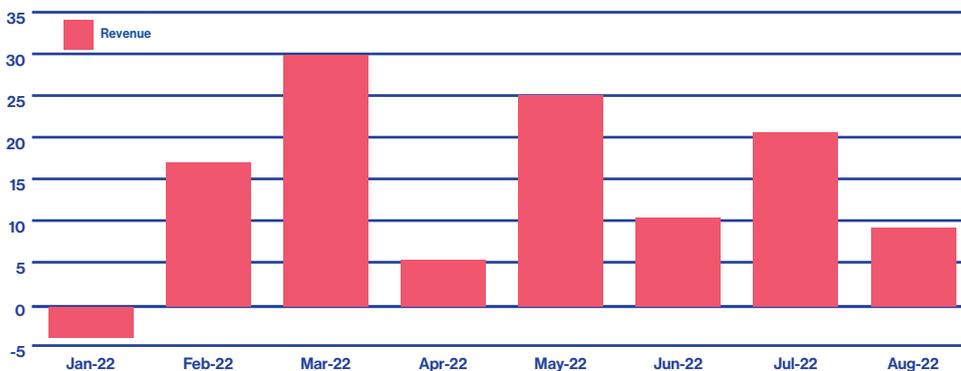
Louisiana betting and gaming tracker



Monthly sports betting handle – mobile and retail combined (\$m)



Monthly sports betting revenue – B&M and mobile combined (\$m)



When was sports betting regulated?

House Bill 697 was signed into law by Governor John Bel Edwards in June 2021.

Regulator details

Louisiana Gaming Control Board
7901 Independence Boulevard,
Building A,
Baton Rouge,
LA 70806
LGCB@la.gov
225-219-4515
Chair: Ronnie S. Johns

Is sports betting permitted online?

Yes, sports betting is permitted online, however all wagering is restricted to 55 of the 64 state parishes and prohibited in all others. Customers of online sportsbooks are not required to register or fund their accounts in person.

Is there any specific legislation for DFS?

DFS is legal on a parish-by-parish basis, with the likes of DraftKings and FanDuel holding licenses.

What is the tax rate?

The current tax rate is 10% on retail sports betting revenue and 15% on online/mobile sports betting revenue.



Go live date

Jan 2022



Sports betting handle

\$128m

Data from August 2022



Population

4.7 million



SEO snapshot: Disney eyes sports betting diversification

Martin Calvert, marketing director at ICS-digital, looks at speculation concerning Disney’s move into sports betting through its ESPN brand

While all sorts of igaming businesses are entering the US for the first time, there are many companies with deep roots and brand recognition that are weighing up if they could — or should — get involved. From land-based casinos to sports franchises, plans are being made, but one noteworthy trend is how large media companies are being courted by betting experts and investors. One that has stirred up speculation recently is Disney, which is reportedly considering ESPN’s role in the betting landscape.

Disney turns bookie?

It’s an irresistible story — the ultimate child-friendly brand in the shape of Disney potentially getting involved in the resolutely grown-up world of gambling. Bob Chapek, Disney CEO, stated in September at the firm’s D23 event that it is “working very hard” on a sports betting app. The question is, while Disney may deepen its connections with sports fans, is the step from media brand to bookmaker too big a jump?

Nonetheless, significant scepticism remains over its ultimate aim, considering the enormous costs involved and potential run-ins with legislators. Moreover, the lack of detail in Chapek’s brief statement on the topic suggests that some commentators are getting carried away with the idea of Disney as a bookmaker. However, if the House of Mouse does get involved in gaming in some other way by leveraging the ESPN brand as part of a licensing deal, or via some sort of an enhanced affiliate offering, will the audience respond?

Organic SEO competitors to ESPN

Site/brand	Keywords in common with ESPN - Semrush	Estimated monthly US traffic - Semrush
cbssports.com	1,043,290	34,964,220
bleacherreport.com	839,687	22,486,897
si.com	718,979	18,178,450
usatoday.com	654,475	33,305,022
foxsports.com	593,324	17,696,103
sportingnews.com	507,585	11,609,021
nbcsports.com	438,162	12,563,937
theathletic.com	434,754	12,960,760
sports-reference.com	219,000	4,832,139
247sports.com	217,366	10,316,199
fandom.com	215,462	320,019,305
pro-football-reference.com	203,345	15,274,423
sofascore.com	174,322	3,605,702
statmuse.com	159,553	2,797,014
washingtonpost.com	159,334	22,312,170
sportsnaut.com	157,655	3,055,556
nytimes.com	155,688	119,150,861
as.com	151,289	4,754,122
baseball-reference.com	148,246	13,118,730
seatgeek.com	145,580	4,815,932
sportskeeda.com	142,168	13,210,155
basketball-reference.com	138,158	21,414,578
nbcportsedge.com	125,693	3,222,464
footballdb.com	120,408	1,208,283

Source: Semrush data from week commencing September 12



The ESPN+ mobile app

An open goal?

For media brands building enormous brand recognition, trust, and repeat visits to digital platforms, the question is how far these audiences are willing to buy what's being sold. In short, is there such a thing as going to the well too many times in the rush to monetize? For media brands it's tempting to see the potential for 'easy wins' as they already have an audience... something that start-ups and new market entrants are paying millions and billions to feverishly build.

Using an established audience makes sense — but there is the risk core readers will become alienated if the offers made feel inauthentic or their user experience is compromised by a new push into betting they haven't sought out.

Looking at the brands that Semrush have identified as 'competitors' to ESPN based on shared keywords, it's notable how many other media brands could be in the mix, considering this approach.

The table opposite excludes sporting leagues and betting brands but there are many high-traffic sites in the same SEO locale as ESPN which may become part of the US betting landscape to a greater or lesser extent — but what's the best way to do this?

A measured approach

For media brands like ESPN, comparable high-traffic media powerhouses, and more modest entities like local news outlets, existing fan sites, etc, perhaps the single best thing to do is use the raw

power (and trust) associated with their websites and digital assets to build out organic SEO. Rather than 'push' betting content to potentially apprehensive audiences, use the 'pull' factor of their already highly powerful domains.

The logic would be to create specialized betting content, structuring this content correctly within the wider site and support site discovery/indexation by Google through purposeful (and topically relevant, off-site/link acquisition). In so doing, there's real scope to jump ahead of competitors to rank for betting-related queries that punters already search for — adding to existing audiences, rather than trying to over-farm existing readerships.

With regards to the brands mentioned in the table, it must be compelling to consider how to translate their massive followings into further revenue opportunities, but perhaps the best approach is to consider the power of their domains rather than risk alienating audiences and compromising their brands by getting too pushy with betting messaging.

As always in newly regulated markets, there are winners as well as losers, and the velocity of the market's expansion may mean not every decision will be grounded in logic. As for Disney and ESPN, it's very much a case of 'wait and see', but for comparable brands we can anticipate a variety of strategies being enacted to farm existing audiences, attract new ones or both — but nothing is guaranteed.

Disney and ESPN at a glance

Oct 1923

Walt Disney Company founded by brothers Walt and Roy O. Disney as the Disney Brothers Studio

80%

Stake in ESPN owned by Walt Disney Company through its ABC subsidiary

5,000

Worldwide ESPN employees

19.85m

Number of viewers watching the debut *Monday Night Football* game at the start of the new NFL season, setting a new record

9

Number of US television networks with ESPN on ABC (Broadcast) and eight US cable networks (five with high-definition simulcast services)

Source: ESPN Press Room/various sources



10 \
Data analysis
US sports betting

The month in US sports betting

Adam Krejcik and Chris Krafcik from Eilers & Krejcik Gaming analyze the latest market and policy movements across the regulated US sports betting landscape

FanDuel facing tech talent retention risk?

Much of FanDuel's US online sports betting (OSB) success is tied to its solid technology foundation, having gone through a migration to Flutter tech back in 2020 and 2021. However, with the platform now relatively stable, industry channel checks said a lot of key technology talent was leaving the business to "build again" — with Fanatics a popular destination.

One former FanDuel engineer described it to us as a "changing of the guard" rather than an outright brain drain. Any negative impact, however, could be tempered. FanDuel has unique access to engineering talent via the Flutter global business. And as Flutter cuts expenses in Europe, it is redirecting resources and engineering talent to the US business, we understand.

Kansas: Tribal skins number still undecided

Even with commercial retail and online sports betting already operational, how many skins each of Kansas' four federally recognized tribes may deploy remains an open question.

The enabling legislation authorizes each tribe to manage "an" interactive sports betting platform, leading some to believe each tribe is limited to a single skin. In the very next sentence, however, the law requires a tribe's written sports

betting agreement with the state to be "substantially the same" as those entered into by commercial casinos, which some interpret as permitting each tribe to offer the same number of skins that a commercial casino may offer (three).

Channel checks indicate that at least one tribe is advocating for the latter interpretation, and the Kansas Lottery has confirmed that it is currently reviewing the law and has not yet made a decision on the matter. The decision could increase the maximum number of skins in Kansas from 16 (one skin per tribe) to 24 (three skins per tribe).

//
*"FanDuel continues winning
the biggest markets, which
is helping it to win the
national market"*

Next front in SGP wars: In-house tech

DraftKings and BetMGM are making real strides on their same game parlay (SGP) products, but achieving long-term parity with FanDuel means developing an in-house solution rather than relying on a third party, in our view (Sportcast, recall, provides SGP tech for both).

Those in-house projects are underway but they're no small lift, given the complexity of the pricing and the absence

of the 'palp' rule in the US — meaning operators must honor any pricing errors. Channel checks suggested DraftKings would still be using Sportcast at least through the next NBA season (ending April 2023) rather than rushing something out.

Indeed, think back to May 2021 and DraftKings and BetMGM may well have made a strategic error by not acquiring Sportcast when it was sold instead to OpenBet. That said, DraftKings and BetMGM are improving their SGP products, and our internal testing — the latest round of which was conducted in mid-August — does show a reasonable minority of testers beginning to prefer non-FanDuel SGP offerings.

Trending up: US innovation

As US sportsbooks trim marketing spend and sign-up offers, the focus turns towards product. The leading operators all rolled out product improvements for this NFL season, including SGP upgrades, quicker withdrawals, and search functions, per our tracking. But smaller operators have arguably added the more interesting new ideas.

A non-exhaustive list includes betPARX partnering with an AI company to surface personalized betting markets to users; Hard Rock launching a casino-style welcome mechanic where customers spin a mystery wheel to win anywhere from \$50 to \$5k in free bets; Prophet Exchange and Sporttrade open-



ing betting exchanges in New Jersey; and Betr launching a B2C book built around micro-markets.

Trending down: Chances for legal political betting

Events exchange Kalshi has asked the Commodity Futures Trading Commission (CFTC) for permission to launch markets on US politics. If approved, US sportsbooks could feasibly try and launch politics markets themselves, according to legal experts we polled.

However, approval looks unlikely; this, after all, is the same CFTC that told political betting marketplace PredictIt to shut down just one month ago. It seems unrealistic in our view that the CFTC would shut down PredictIt — run by a university for educational purposes with an \$850 cap on trading liabilities per market — then turn around and allow political betting on Kalshi.

So, is politics betting a big loss? Not for revenue but certainly for publicity. We note political betting is often a loss leader in markets like the UK, but it's great for PR purposes.

US leaderboard update: FanDuel still top

In the table, we show our proprietary estimates of US online sports betting gross gaming revenue (GGR) on a by-brand, by-state basis in the three-month period through July 2022.

FanDuel continues winning the biggest markets, which is helping it to win the national market. Indeed, the Flutter-owned brand currently has 44% national GGR share, according to our tracking. New York, where FanDuel captured an eye-catching 56% OSB GGR share during the May-July period, is currently the brand's largest single market — and by some distance.

Grabbing a slice of the sports betting pie

Market	Top brand	Trailing three-month online GGR (estimated)	GGR share
Arizona	FanDuel	\$41m	46%
Arkansas	Betly*	\$0.9m	100%
Colorado	BetMGM	\$17.9m	33%
Connecticut	FanDuel	\$11.3m	51%
District of Columbia	GambetDC*	\$1.6m	100%
Illinois	FanDuel	\$66.6m	45%
Indiana	FanDuel	\$25.4m	41%
Iowa	FanDuel	\$8.2m	29%
Louisiana	FanDuel	\$19.9m	44%
Michigan	FanDuel	\$28.9m	41%
Nevada	Caesars/William Hill	\$25.3m	55%
New Hampshire	DraftKings*	\$13.2m	100%
New Jersey	FanDuel	\$70.8m	52%
New York	FanDuel	\$142.4m	56%
Oregon	DraftKings*	\$10.4m	100%
Pennsylvania	FanDuel	\$50m	52%
Rhode Island	Sportsbook Rhode Island*	\$5.3m	100%
Tennessee	FanDuel	\$22.2m	36%
Virginia	FanDuel	\$42m	44%
West Virginia	FanDuel	\$3m	45%
Wyoming	DraftKings	\$1m	44%
Total US	FanDuel	\$547.6m	44%

*Only available online sports betting brand in the state
Source: State regulators/Eilers & Krejcik Gaming estimates

Eilers & Krejcik Gaming uses a blend of channel checking, Google Trends data, Sensor Tower data, Pathmatics data, and other data to generate its proprietary online sports betting GGR-by-brand estimates.

Eilers & Krejcik Gaming LLC is an independent research and consulting firm with branches in Orange County, California and Las Vegas, Nevada. The firm's focus is on product, market, and policy analysis related to the global regulated gambling market. Clients include operators, suppliers, private equity and venture capital firms, institutional investors, and state governments. To learn more about the firm, visit <http://www.ekgamingllc.com>.



Conversion corner: Acquiring customers in the new NFL season

Chalkline CEO Daniel Kustelski examines which strategies operators are using to acquire football bettors and what part bonusing plays

Now US football is underway, we will start to understand how the betting industry in the US has reacted to operators' reduced share prices and the backlash the industry is taking for its marketing spend. Customer acquisition is very difficult, and while it is equal parts art and science, I'll discuss the start of the football season below and how operators are attempting to increase their number of customers that deposit money and place a bet.

Football season is the start of many initiatives at books. As it relates to conversion, it is notoriously the highest-bonused months on the calendar, according to the states that track this data. Pennsylvania, Michigan, and Colorado are good examples of states that openly track such activity.

Operators are still trying to unlock the keys to increasing customers at a lower customer acquisition cost during the football season. The American Gaming Association has published a report stating that over 46 million Americans (18% of the adult population) will bet on the NFL. This is an incredible statistic considering that one person in six in the UK bets with a bookmaker. Bonuses have been the tip of the spear for many operators since PASPA was repealed, and this year is no different.

• In Pennsylvania, bonuses have soared to well over 40% of gross gaming revenue (GGR) in August and September to capture as many customers as possible during the NFL and college football season. This is based on one of the top sports betting states in the country. With close to \$20m in

bonuses issued in 2021 per month of the football season, it indicates how important bonuses are to customer acquisition and retention:

- * FY 2020 bonuses were 30% of GGR
- * FY 2021 bonuses were 38% of GGR
- * FY 2022 bonuses have been 23% and 20% for July and August

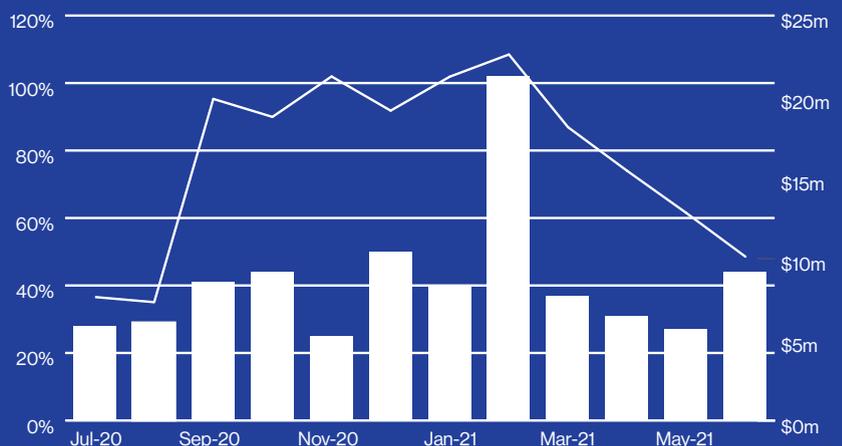
• Michigan sports betting operators' bonuses have come down from 2020 to 2021 as a percentage of GGR:

- * 2021 bonuses were approximately 65% of GGR
- * 2022 bonuses have been just above 50%

• Colorado has seen far higher percentages of its gross gaming revenue spent on bonuses tracked by its monthly reporting and the difference between GGR and the net sports betting proceeds (NSBP):

- * In September 2020, operators spent 180% of GGR on bonuses (that isn't a misprint)
- * In September 2021, operators spent 92% of GGR on bonuses on a much higher GGR figure (\$22.7m)
- * If Augusts are indicators of the coming months:
 - August 2020 saw over 90% of GGR bonused back to players

Pennsylvania bonuses in 2020-2021



Source: Pennsylvania Gaming Control Board

- August 2021 saw over 54% of GGR bonused back to players

Clearly the data is indicating that bonuses are slowing from the operators in 2022. There were significant discussions in many of the financial results of the publicly traded operators about the pull back of marketing and bonuses. Profitability is finally coming to the forefront for many operators, with FanDuel suggesting they will be profitable by 2023 and Penn Entertainment's (formerly Penn National Gaming) Interactive division being profitable by the end of 2022. The focus on reducing marketing and bonus spend is slowly but surely occurring so far in 2022.

DraftKings' bonusing has already made headlines with an "NFL up 10" promotion that paid out an estimated \$75m to its customers. While it is difficult to understand the true cost of the promotion, it certainly gave some pause for the industry. It gives a good indication that operators and the rest of the sector are willing to risk a fair amount of bonus money to acquire customers.

That leads me to ask myself the following question: What do customers really want? As an operator, what can they provide to acquire customers?

The details of what customers are betting on is a good indicator. While there is still plenty of friction in the sign-up process (we all know the sign-up flow isn't the same across the board), depositing methods aren't similar across states or operators, and taking a potential bettor to their first bet or something they want to bet on isn't simple either. Taking that into consideration, are operators presenting (or differentiating) the products customers really want?

Parlays, parlays, and more parlays

Louisiana recently legalized both retail and online sports betting in the state. Parlays account for over 55% of the GGR earned. In an industry where the winner will differentiate themselves with a superior product, having a great parlay engine and making them easy to place seems a great start. Fifty-five percent is an incredibly high number and an indi-



Parlays bets account for over 55% of the GGR generated by operators in Louisiana

cation that the bettors that are active on those books are pretty casual.

We saw parlays make up a smaller percentage of the GGR back in 2018 when New Jersey went live with betting. The current breakdown in 2022 is that parlays make up more than 55% of GGR in New Jersey. While there are some additional reasons for that being the case, the fact that people simply want to entertain themselves and almost see betting as a form of lottery pick (parlays of small consideration with high payout) is a great sign for books. Less sophisticated bettors typically need a bit more time to feel comfortable placing bets online and often fall out of the funnel if there is friction in the sign-up or deposit process as well. But having a great parlay product with easy-to-use user experiences is important as we head into football season.

While there is plenty of handle on all the single bets across the country, parlays are only between 25%-30% of the handle in many states. In Indiana this year, parlays account for just over 25% of the handle in 2022. But that handle is an incredibly important and high margin handle for the books, so they are bolstering their products to take more handle on such high margin handle.

This leads us to the operator development plans for football season to acquire and retain customers. Major operators are certainly seeing this need from customers and building products. FanDuel created same game parlays (SGP), and many others are promoting similar products on their sites and through promotions.

In fact, CEO Jason Robins at DraftKings said: "We've been pushing [a high parlay mix] since we migrated [onto DraftKings' new SBTech platform]," clearly indicating the product roadmap is focused on trying to accumulate as many parlay bets from their customers as possible.

Again, customer acquisition is very difficult and can be expensive for operators. With football season and the interest in betting during the fall, operators have an opportunity to build stronger databases of bettors but must do so cost effectively. Bonuses are one way but they are under scrutiny for their excessive use. Operators are also looking at the product they are offering to acquire and retain customers as well. Parlays are quite clearly in vogue and allowing bettors to place them quickly and easily achieves both happy customers and higher profits.



Fall 2022: Affiliate and SEO analyses of the US igaming market

Online Gambling Quarterly provides a vertical/segment-specific analysis of US online gambling operators' affiliate and SEO activities

According to the analyses carried out by the Online Gambling Quarterly (OGQ) for fall 2022, DraftKings leads the search engine optimization (SEO) betting rankings in the US. FanDuel tops the betting affiliate ranking and is featured on 85% of the betting-focused affiliates in the US, while Unibet leads the ranking in the case of casino affiliates, and Bovada (not licensed in the US) is in front for casino-related keywords.

The top gambling advertisers on affiliate websites in the US

To benchmark brand/operator presence on affiliate websites, OGQ looked into the affiliate sites that appear among Google's US top 50 results for 20-30 betting- and casino-related keywords. The researchers then analyzed the gambling websites featured on each affiliate site.

- **Betting-specific affiliate benchmarking:** The analysis was based on 120 affiliate websites that made it into Google's local top 50 search results. FanDuel leads this ranking and is featured on 85% of the betting-focused affiliates. Runners-up are DraftKings and BetMGM.
- **Casino-specific affiliate benchmarking:** The analysis was based on 67 affiliate websites that made it into Google's local top 50 search results. Unibet leads this ranking and is featured on 67% of the casino-focused affiliate sites. Runners-up are BetMGM and DraftKings.

The top-ranked US online gambling operators

As in most online industries, ranking in

search engines is a crucial success factor. Therefore, the OGQ team prepared some analyses to answer the question of which operators are doing the best job in SEO in the US.

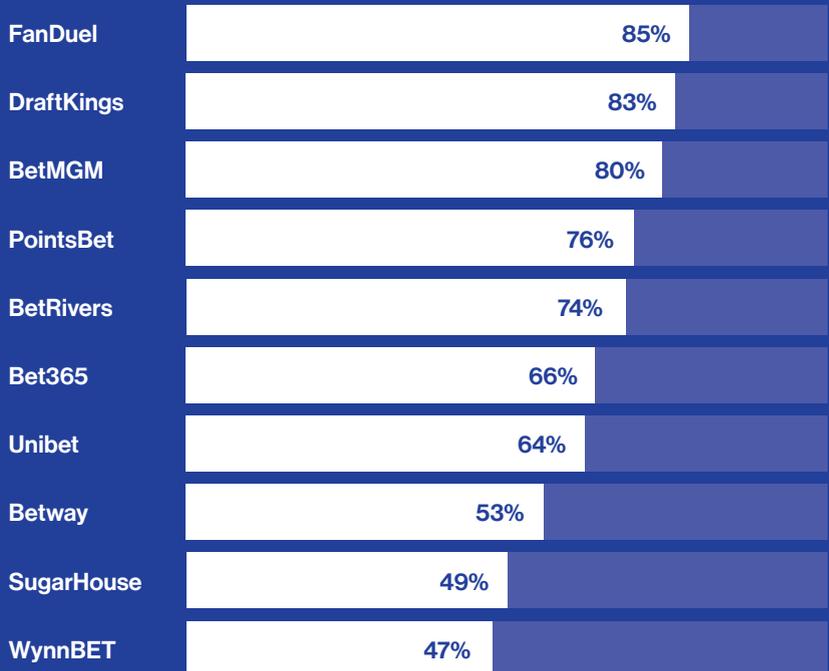
The team analyzed the top 50 Google

organic search results (desktop and mobile) for about 20-30 specific keywords (or terms) related to betting or casino (e.g., NFL betting). They then produced a search result ranking for every keyword and vertical and gave each website



Top advertisers on betting affiliate websites in the US in Q3 2022

% of affiliates (betting-focused) the operator was featured on — Sept 2022



Source: Online Gambling Quarterly



ranked a reciprocal number of 'SEO points' regarding its rank (e.g., rank one = 50 points, rank two = 49 points, all the way through to rank 50 = one point).

The OGQ team then associated each website to key online gambling brands. The focus of the analyses is on brands/websites and not on companies operating these brands. For the final ranking, the brand/website with the highest number of SEO points received the SEO score of 100. All other websites were given scores based on their SEO points in relation to the score of the top brand.

In the US in Q3 2022, the SEO analysis included 31 betting-related keywords and 21 casino-related keywords. (The full list is available from the OGQ.)

Betting SEO analysis: DraftKings leads

Across all 31 betting-related keywords, DraftKings takes the first rank. For 35% of the analyzed keywords, DraftKings was able to take the first rank (31% rank two). Runners-up are Bovada (3% rank one; 8% rank two) and BetMGM (0% rank one; 6% rank two).

Casino SEO analysis: Bovada leads

Across all 21 casino-related keywords, Bovada takes the first rank. For 5% of the analyzed keywords, Bovada was able to take the first rank (10% rank two). Runners-up are 888casino and Caesars Casino.



Top advertisers on casino affiliate websites in the US in Q3 2022

% of affiliates (casino-focused) the operator was featured on — Sept 2022

Unibet	67%
BetMGM	62%
DraftKings	61%
FanDuel	58%
BetRivers	54%
Betway	49%
Bet365	44%
SugarHouse	42%
PointsBet	34%
WynnBET	34%

Source: Online Gambling Quarterly

SEO benchmarking for betting- and casino-related keywords in the US in Q3 2022

USA — September 2022 — highest score = 100



Betting

DraftKings	100
Bovada	79
BetMGM	77
BetOnline.ag	74
FanDuel	56



Casino

Bovada	100
888casino	92
Caesars Casino	79
FanDuel	58
Parx Casino	47

Note: SEO ranking score based on ranking on local Google searches for cc. 20-30 casino- and betting-related keywords; normalized: top-ranked operator = 100

Source: Online Gambling Quarterly, Google



16 \

Data analysis

Bonus Index data

The BonusFinder Bonus Index: Who will offer the best experience?

BonusFinder presents the latest Bonus Index data on newly launched and upcoming states to reveal where in the US customers will benefit the most

With 36 states plus DC now allowing regulated sports betting, including the recently fast-tracked Kansas, and 60% of the adult US population residing in one of those jurisdictions, the market is certainly living up to expectations after just four years of legal activity.

Equally, new state-by-state activity is healthier than ever, with a further five, plus the Californian whale, planning to potentially go live later this or next year and in the midst of a regulatory and political battle as to which of two multi-million-dollar-funded 'Propositions' will triumph.

Crucially, this is a lucrative time to launch betting activity, with several major North American sports kicking off between now and the end of the year including the NFL. More than two-thirds of teams are in states with legalized sports betting, while initial geolocation data suggests that approved NFL betting attempts rose by more than 70% during the opening week's game. This will delight many licensed operators which, despite trimming welcome offers due to marketing cuts, high taxes, and tightening margins in comparison to 2021 — that saw the likes of Caesars offer up to \$5,000 in rewards — have gone all-in in the hope that this will be their best betting year yet.

The big question, however, is which of the new and upcoming states' customers will benefit the most from these new launches, many of whom are aiming to 'out revenue' one another.

A closer look at BonusFinder's latest Bonus Index figures reveals that four of the five upcoming state launches are pre-

dicted to enter the top 10, with Maryland (earmarked for a February 2023 launch) expected to be the most favorable state for US consumers.

The Bonus Index is based on the total amount of welcome offers that are available in each state and the average amount of bonus available. The total amount of welcome offers available, alongside the number of licensed operators, greatly increases the score.

//
“More than two-thirds of teams are in states with legalized sports betting, while initial geolocation data suggests that approved NFL betting attempts rose by more than 70% during the opening week's game”
//

Maryland **(NEW ENTRY – 1)**

The state held a public hearing on September 9 and has a strong desire to launch online before or potentially prior to the Super Bowl. More importantly, there is the strong possibility of up to 60 licensees in the aptly named 'Free State' which will give its relatively small six million population a vast amount of

choice in brands. Add to that its healthy retail sportsbook market, whose handle has grown consecutively for the last five months to \$18.6m, and we expect both the market and the consumer experience to thrive.

North Carolina **(NEW ENTRY – 4)**

With a massive 10 million+ population, this southern state has high hopes of passing a bill in 2023 including betting on college sports, one of the biggest events of the year for resident fans. A previous bill ended in failure as this option was removed, but with increasing momentum and desire to get it over the line, we expect bettors to have a boon next year.

Massachusetts **(NEW ENTRY – 7)**

There is talk of Massachusetts launching statewide mobile betting before Maryland, however, despite its gaming commission (the MGC) approving key measures to keep the process moving forward on September 8, there has been no update on a launch for retail or online sports betting.

Progress was described as “slower than a turtle down the Maryland turnpike” by one recent regulatory podcast, but there is currently no temporary cap on the number of licensees and a low



bar to entry of \$1m. This may change as regulators tighten the rules but customers there could be offered one of the best betting state options in the country, and we expect it to climb the rankings next quarter.

Minnesota **(NO CHANGE – 8)**

Getting online sports betting legalized in the North Star State has long been an issue with 11 tribes running 19 casino properties, but despite being granted exclusivity earlier this year, a Senate addition of two racetracks saw a bill fade away — for the time being. The fact legislation got so close, and included mobile, bodes well for the future and, if signed and sealed, would pave the way for a top-10 betting state.

Ohio (NEW ENTRY – 15)

It may have a lower-than-expected entry in this quarter's Bonus Index but we think it will be positioned far higher once it launches, all being well on January 1, 2023 when several local sports teams, racinos, and casinos are licensed. Equally, this is why it sits outside the top 10 with a disappointing eight licenses so far approved from an initial 25, including NFL team the Cleveland Browns partnering with BallyBet and MLB team the Cincinnati Reds with newcomers Underdog.

Kansas (NEW ENTRY – 18)

While not an upcoming state, it is new to the Index and only soft launched at the beginning of September with six approved operators. All reports from the state and operators indicate a solid start, however the disappointingly small number of licensees, predicted to be up to 12 pre-regulation, has seen it fall down our Bonus Index rankings.

Despite its small population, we expect both a bright financial and consumer choice future for the state for several reasons. Kansans are avid sports fans and passionate about their 'Chiefs' who won the Super Bowl in 2019. The state

The BonusFinder.com Bonus Index

State	Market launch	Online products available	BonusFinder Bonus Index
Maryland (Upcoming)	Feb-23 est.	Sportsbook	12.7
New Jersey	Nov-13	Sportsbook & casino	8.1
West Virginia	Aug-19	Sportsbook & casino	6.4
North Carolina (Upcoming)	2023 est.	Sportsbook	6.3
Michigan	Jan-21	Sportsbook & casino	6.2
New York	Jan-22	Sportsbook	6
Massachusetts (Upcoming)	2023 est.	Sportsbook	5.5
Minnesota (Upcoming)	Unknown	Sportsbook	5.3
Colorado	May-20	Sportsbook	4.9
Louisiana	Jan-22	Sportsbook	4.9
Iowa	Aug-19	Sportsbook	4.5
Indiana	Oct-19	Sportsbook	4.5
Arizona	Sep-21	Sportsbook	4.4
Virginia	Jan-21	Sportsbook	4
Ohio (Upcoming)	Jan-23	Sportsbook	3.8
Pennsylvania	May-19	Sportsbook & casino	3.3
Ontario	Apr-22	Sportsbook & casino	2.1
Kansas	Sep-22	Sportsbook	2.1
Connecticut	Oct-21	Sportsbook & casino	1.5
Tennessee	Nov-20	Sportsbook	1.5
Illinois	Jun-20	Sportsbook	1
Wyoming	Sep-21	Sportsbook	0.6
Florida (Discontinued)	Unknown	Sportsbook	0.4

Source: BonusFinder.com

launched the same week as the new NFL season and will feel the full benefit of betting between now and February 2023. Crucially, its central and 'border-city' location — surrounded by states that have yet to go live such as Missouri — will mean it will inevitably experience a mass influx of bettors, similar to New Jersey prior to New York's mobile wagering regulation. This will provide it with a huge boost compared to predicted numbers.

California

This state is the major outlier (not yet on our Index) with the industry's most

expensive lobbying race and advertising war underway between Propositions 26 (coalition of tribes) and 27 (large operators), each side vying to out-spend the other and budgets surpassing \$400m. We're keeping everything crossed that a bill could pass next year, and if so, create a billion-dollar sports betting market with potentially more consumer choice than any state. Pessimists, however, would argue that with tribes, lobby groups, and unions taking sides things are getting messy very quickly, and, typically, when you have a public that can't distinguish the truth or the 'lies', the no vote ends up being the outcome.



Q&A: Making haste

EGR North America goes one-on-one with RSI president and CEO Richard Schwartz to discuss the firm's expected push into poker, progress so far in Ontario, and how the US marketing war could end up benefiting the BetRivers brand

In a sports betting world where the likes of FanDuel and DraftKings are making billions of dollars in revenue but racking up substantial losses, Rush Street Interactive (RSI) has made steady progress to occupy a position of prominence in its native US market as well as inroads into Latin America and, latterly, Ontario. Central to this push have been two elements: a focus on technology and a focus on customer relationships, philosophies which have led the firm to win three gongs at the EGR North America Awards 2022. *EGR North America* sat down with RSI CEO Richard Schwartz to talk through key points in the firm's journey to success.

EGR North America (EGR NA): *It's been more than four years since PASPA was repealed, so how would you sum up RSI's performance since then and its approach to grabbing market share in the US?*

Richard Schwartz (RS): We're proud of what we've accomplished despite investing substantially less than our peers. While we can always improve the speed of innovation, we're glad we invested early in innovation with a focus on user experience and differentiation. We've now invested over 10 years into the approach and focusing on the player experience as a way to drive retention.

EGR NA: *What about in sportsbook, is there anything you would have done differently there?*

RS: We decided to launch an online sportsbook in Colombia in advance of PASPA being overturned, hoping to gain

some experience and really improve the product before the US market opened.

We were surprised by the timing when the Supreme Court overruled PASPA, which happened to be right in the middle of us launching in Colombia, so we didn't have as much time as we would have liked to prepare our sportsbook offering and marketing when the US market first opened. It meant we were further behind and had to play catch-up.

In particular, we were behind daily fantasy operators who had spent many years developing products and understanding not only the psychology of US sports bettors but also developing relationships with sports media entities, leagues, and teams. If anything, we should have started our sportsbook approach a year earlier as we've been having to play catch-up in getting similar relationships off the ground since then. With regard to innovation, we're several years behind where we are in terms of the roadmap for igaming which we started almost three years earlier, but are fast catching up.

EGR NA: *You've previously said RSI is focusing on high-quality players in the US due to increases in CPAs. Can you explain more about the deliberate pivot to this approach?*

RS: RSI's focus has always been about high-quality players, this is just the first time we've started to discuss it more openly. Players demand a high level of service and differentiation in the products and this is who we target. We want people who aren't shopping around from day-to-day and looking for better

and bigger bonuses, but players that are looking for a premium experience.

EGR NA: *You highlighted RSI's EGR North America customer service operator of the year award as a key accolade for the firm. How important is customer service to RSI's longer-term aims?*

RS: Customer service is critical, and I think the recognition we've received from *EGR* in this category is the most meaningful one our company has ever received. It validates the focus we give to customer experience.

It's vital that when things go awry, customers have someone available in real time, who is knowledgeable, friendly, and thoughtful. It's about reducing friction from the user journey, investing in tools to automate aspects of the journey, and providing our players with the type of premium support we feel many are looking for. It's always been and continues to be a top priority for us.

EGR NA: *RSI has reported three consecutive quarters of EBITDA losses and has previously committed to a "disciplined" approach to generating profitability. Is there ever a temptation to abandon this to address these declines more quickly?*

RS: We built this business with a goal towards profitability. That is core to our DNA as a company and management team and there is no temptation to abandon our approach. You have to acquire customers at a sensible CPA and the better you can retain those players after they make a first deposit, the more likely you will be to build a profitable, sustainable business.



Canadian sports broadcaster Dan O'Toole was recruited to boost the BetRivers Ontario launch

We have drastically reduced our losses over the past year while growing revenue and expect to continue on our path towards profitability. We haven't changed our approach; in fact we've spent in a disciplined way relative to most of our peers. We welcome the fact that others are moderating theirs in a way we haven't seen previously, which we view as healthy for the industry and certainly a good thing for us as it doesn't force us to change our behavior. If anything, it allows us to be viewed more competitively by some of our customers who are now noticing less disparity in what we're offering compared to what some of our peers have offered historically.

EGR NA: *DraftKings and Penn Entertainment have discontinued sports betting platform services with Kambi in favor of an in-house-developed sportsbook. Does RSI have any plans to move its sportsbook in-house?*

RS: We don't have any plans to move in-house but rather continue to advance our strategy of building our own innovation layer on top of the existing sportsbook engine supplied to us by Kambi. Our goal is to have a world-class product, and by working with suppliers such as Kambi whose sole focus is ensuring their platform is world-class, it gives us the confidence that the user experience will remain world-class.

We have our own in-house develop-

ment teams on the sportsbook side that develop enhancements and innovations unique to RSI and create a level of differentiation beyond what Kambi provides, motivating players who bet with us to stay with us. There's a recent trend by some of our peers to want to own their own sportsbook tech, which certainly comes with a significant overhead cost and a high degree of risk in terms of further developing and sustaining a world-class product. Our philosophy is to leverage world-class products that exist but add our own twist and flair of innovation on top of it to create an experience that's uniquely RSI.

EGR NA: *Along with a number of other operators, RSI has experienced falls in its stock (down 80% in the past year). What do you think about this downturn in confidence in online gambling operators?*

RS: What's unique about our company is that we're strong in both casino and sports, with a vast majority of our revenue coming from igaming. This is a product vertical or category that I think has become widely recognized as being one of those profitable drivers of our industry. We believe investor confidence will grow, and companies like us who have been focusing and continue to outperform in the online casino market will be able to grow and become profitable, especially as we execute in additional markets where igaming is permitted.

We've launched in Ontario and Mexico recently, two markets where it is legal to operate both igaming and sportsbook. It broadens the reach of our igaming product and plays to our strengths. As investors increasingly appreciate and value the profitability igaming drives, then companies like us who have had igaming as a primary focus for years will be recognized as creating a consistency that's valued alongside a growth of profits. Ultimately that's what investors want when looking at companies in our space.

EGR NA: *How would you describe Rush Street's approach to M&A?*

RS: Our approach is to evaluate many options but to remain very disciplined and selective. Since going public [in December 2020] we've been able to execute on a couple of tuck-in acquisitions which focus on new product extensions and/or content. When it came to Run It Once Poker for example, we purchased a poker platform and a team that's really talented in user experience and product design, so our goal since then has been to develop that platform into a world-class product.

There aren't very many B2B poker supplier options that exist that we felt were sufficiently strong to meet our needs but, ultimately, we know from industry experience and marketing data that there's a very significant crossover between online poker players and igaming players as well as crossover into online sportsbook. So, in terms of new customer acquisition, having a strong poker platform enables us to do that effectively and then cross-sell them into other verticals such as casino and sportsbook.

EGR NA: *RSI itself has been the subject of a lot of M&A speculation as a potential target. Is there anything in that?*

RS: As a public company, we always evaluate opportunities that are in the best interests of our shareholders. Having said that, the reason why we're often included in that sort of speculation is because we have acquired for ourselves many of the things others find value in as well, whether it be a world-class technology platform, in-house-developed proprietary technology, market access in all major markets, a strong casino product, or diversification into Latin America where we're one of three market leaders

in Colombia. We're increasingly close to profitability as we lost less than \$20m in our most recent quarter, and if someone wants to grow market share or scale up, we certainly have a substantial amount of revenue and operational experience that helps create that kind of scale. For all these reasons, we catch the attention of the media when reporting about consolidation in the sector, but our firm plan is to continue on our march towards profitability and achieve all the goals we've laid out by the second half of next year.

EGR NA: *What is RSI's philosophy when it comes to media partnerships with teams and sports betting personalities?*

RS: We believe the best players are those that come to you organically because you're bringing value to their day-to-day experience, not because you're hitting them over the head with a very aggressive offer. Partnering with someone who is a well-respected and trusted voice in sports media such as Mike Francesa in New York or Dan O'Toole in the Canadian market, we thought was a terrific opportunity to create a platform for them to do what they love to do while allowing us to grow our brand in markets such as New York or Canada where our brand wasn't as well-known as some of our peers. It's all about local trust, reputation, and bringing true value to our viewers.

EGR NA: *It's been almost two years since RSI went public via a SPAC. How would you reflect on this decision?*

RS: Going through the SPAC process was very timely for us. We were one of the first group of operators to go through it, which was very important at the time because we weren't sure how long that SPAC approach would stay viable. It gave us access to capital, which we've been able to put to work efficiently to bring new customers into our platform and launch in all the important markets, as well as expand internationally. Going public with a SPAC was an excellent avenue to raise capital quickly and we're glad we went through that process.

EGR NA: *How would you sum up your approach to the Ontario market?*

RS: We recognized that Ontario would be an igaming market that plays to our

strengths so it was important to us to establish a strong marketing strategy. This included a big campaign around the Winter Olympics in February to ensure we were communicating and reaching a wide audience of viewers in Canada who otherwise might never have heard of our brand before.

Once we had that brand awareness of where our target audience was, we were able to secure marketing assets that we've not only been using for the last quarter but some exciting assets that we're deploying in the quarters ahead. It's critical we build brand awareness, focus on securing marketing assets, and do things in a way that really shows customers we are differentiated from the competition. Primarily, this is because you can't offer inducements in your ads.

//

"You have to acquire customers at a sensible CPA and the better you can retain those players after they make a first deposit, the more likely you will be to build a profitable, sustainable business"

//

However, our strategy of promoting the unique selling points of our products allows us to educate the viewers on why we're fun and different to many other sites in the features and functionality we offer. With the marketing inducement prohibition, it's going to be a product-driven strategy that wins in the market.

EGR NA: *RSI has been live in the New York sports betting market since January. Has it been a good debut for RSI?*

RS: We achieved our goals of entering the New York market on the first day the market went live and by building a beachhead of quality customers for the future. We're excited for the current football season as it represents the first time any of our New York players will have a chance to bet at the start of the football season. Our strategy was not only to be there and operating but also ensuring we can move quickly should igaming be legalized in the future, and we know

there will be efforts made again next year to legalize it following the launch of sports betting this year.

EGR NA: *What have been the main plus points in your partnership with the Connecticut Lottery Corporation (CLC)?*

RS: Having lottery experience was something of great importance to us because people working within that sector typically don't want to take a risk on a company that hasn't already had success working previously within the lottery framework. Not only have we had a terrific relationship and success launching with the Connecticut Lottery, which puts us in a position to have optionality and future opportunities in other markets with lotteries, but we also had an opportunity to be part of a market with very limited competition. There is no other market like it in the US where you have only three competitors, and we also knew that due to the ability to have up to 15 retail sportsbooks that it would give us a chance to leverage the retail locations to drive an online player base over time.

EGR NA: *Ohio is shaping up to be a very competitive market for US sportsbook operators, so what lessons from your launch in New York will you transplant to this sportsbook-only market?*

RS: For one thing, there will be a change in the mindset among the operators who are looking for profitability and you'll see some being less aggressive than they were in New York. It's important to note that New York had a \$25m license fee and a high tax rate of 51%, both of which will be a lot lower in Ohio. In addition, while there will be more operators participating in Ohio than in New York, the top six operators in the US market, including ourselves, have about 88%-90% of the market share already. So even if the number of competitors increases, most of the revenues are already accounted for by a smaller subset of companies with a larger operating reach and market share.

In addition, I think what's interesting about Ohio is that it is adjacent to four other states where we already operate the BetRivers brand, so there will be some overlap and leveraging of marketing between multiple states that will allow us to be efficient with our marketing spend when the market launches.



Making the most of the new NFL season

Flows director of sales Domenico Mazzola investigates how operators can use data to best serve customers looking for unique experiences in their NFL betting

For operators to provide a compelling NFL betting service, it's important that they first differentiate themselves from the competition. Creating a first-class user experience for customers is vital to help you stand out from the crowd — and that includes more than just customer onboarding and your initial offering.

You need to create a personalized experience by providing tailored promotions, as this is what improves your relationship with bettors, builds loyalty, and reduces acquisition costs. Things like users' location, favorite team, and recent wagers can all be important data points for improving this overall customer experience.

By using them efficiently and effectively, sportsbooks can assign free bets to customers based on where they've registered or what teams they've wagered on. They can also harness this information to recommend future bets that the player might be interested in. To use an NFL example, if a customer bets on the next touchdown scorer, the moment the bet is settled, the operator could offer it again at updated odds.

Another key differentiator is building up your own unique functionalities, such as gamification programs that offer points based on NFL betting activity. Betting sites will find it easier to keep their customers engaged if they're able to create a new program each week without having to wait months for their IT department to deliver it. This, combined with the aforementioned personaliza-

tion, can open up a multitude of possibilities as you're able to monitor users' betting habits and profile them more effectively.

Having this betting data available can also help you to identify and address potential bonus abusers. This is one of the most critical points for operators and is currently the greatest challenge across the industry due to a lack of real-time data. In most cases, risk staff are working with information that's at least 24 hours old, meaning that by the time they've received it, it's already too late to action.

High alert

However, by having access to real-time data on demand, responsible gaming teams are able to respond to events such as bonus abuse as they happen and create alerts to address the issue almost instantly. For example, a player tries to place a wager on an NFL game happening in 10-14 days' time immediately after registering an account and making a deposit. This is really suspicious activity and were an operator able to access this data in real time, a message could be fired off to the risk management team suggesting they check their odds. Currently, I really do not see many platforms having these kinds of alerts in place, unfortunately.

Of course, from a responsible gaming point of view, this data can also be used to safeguard customers who are most at risk. Given the legislative make-up of the US, complying with responsible gaming protocol can be quite a difficult task for

a business as the rules basically change from state to state.

This means it's more important than ever for sports betting sites to be agile in their approach to responsible gaming and have the flexibility to enable and disable the different functionalities of their offering based on the laws in the state each user is logging in from. Being able to display multiple versions of one website that each cater to local regulations will enable sportsbooks to create a fully controlled and fully compliant experience while tracking and saving the information the regulators require.

By keeping a close eye on all of this important data and knowing how it can be used effectively, online gambling businesses should be able to find a number of ways they can improve their current NFL betting offering and provide a safer, more enjoyable experience to customers, regardless of the state they're playing from.



Domenico Mazzola is the director of sales at Flows, the innovation platform that allows businesses to build workflows without code, enabling them to accelerate delivery and supercharge innovation. Mazzola is a forward-thinking decision maker with a background in software development. He has over 15 years' experience in sales, commercial strategy and business development.

Forward thinking: A progressive approach to customer relationships

Susan Quach, OpenBet's senior director for customer experience, highlights the value of customer success and the role she plays in developing such an important function

Customer success departments are few and far between in the gaming industry, despite the clear value they represent. It is an incredibly important facet of a company's makeup — for a B2B provider, delivering a partnership to an operator that prioritizes their needs and goals is invaluable.

A focus on customer success is reflective of the way the industry landscape has evolved, not just from a sports betting perspective but from a software delivery standpoint. Traditionally, suppliers have simply been told by the bigger brands what to build, whereas there is an increasing number of operators and partners in today's marketplace that require advice on how to optimize a platform to perform to a higher standard. The industry is incredibly competitive now — market saturation has led customers to actively seek out experts for their guidance to help them excel.

The customer success movement

Today's industry requires the implementing of a different philosophy, one that addresses the specific goals of customers. The core value behind this approach to customer success has to be devotion — the sports betting arena as a whole needs to move towards a more customer-centric mindset that puts greater emphasis on positive partner relationships. After all, it is the customer that dictates the ultimate success of the provider. Aspirations should encapsulate a desire to get closer to customers, understand how they use a product, and

how their operational processes work, then build advice recommendations and operational optimizations around that. By appointing customer success managers that are passionate about sports, hold strong people skills, and are keen to educate, companies can revolutionize the way in which they help operators achieve their objectives.

Achieving growth in the US

In the context of the sports betting lifecycle, the US is relatively young. While the leading operators backed with significant investment have cemented their position in regulated states, others looking to enter the sports betting space depend on advice from experienced providers to establish a strong market share. Operating models need to be put in place to get to know the customer and their own demographics, allowing bespoke product sets to be built that they can take to the market to compete.

If the push is done behind their own brand, focusing on using the tools already at hand, then value can be added to existing assets. This is particularly true for existing land-based casinos, tribal operators, and lotteries, all of which have successfully built a strong consumer base. This optimism is what customer success should personify — creating a positive tone and empowering the customer.

This also entails providing new ideas and educating the customer — imparting industry knowledge in a constructive way. Anything from suggesting a greater focus on content, utilizing social media,

and promotions to attract varied age groups, or pushing for a greater focus on data. A customer success team can also help operators navigate the increasingly challenging and varied landscape of responsible gaming in a number of ways, from identifying cutting-edge techs and tools to parsing new regulations.

Operators as partners

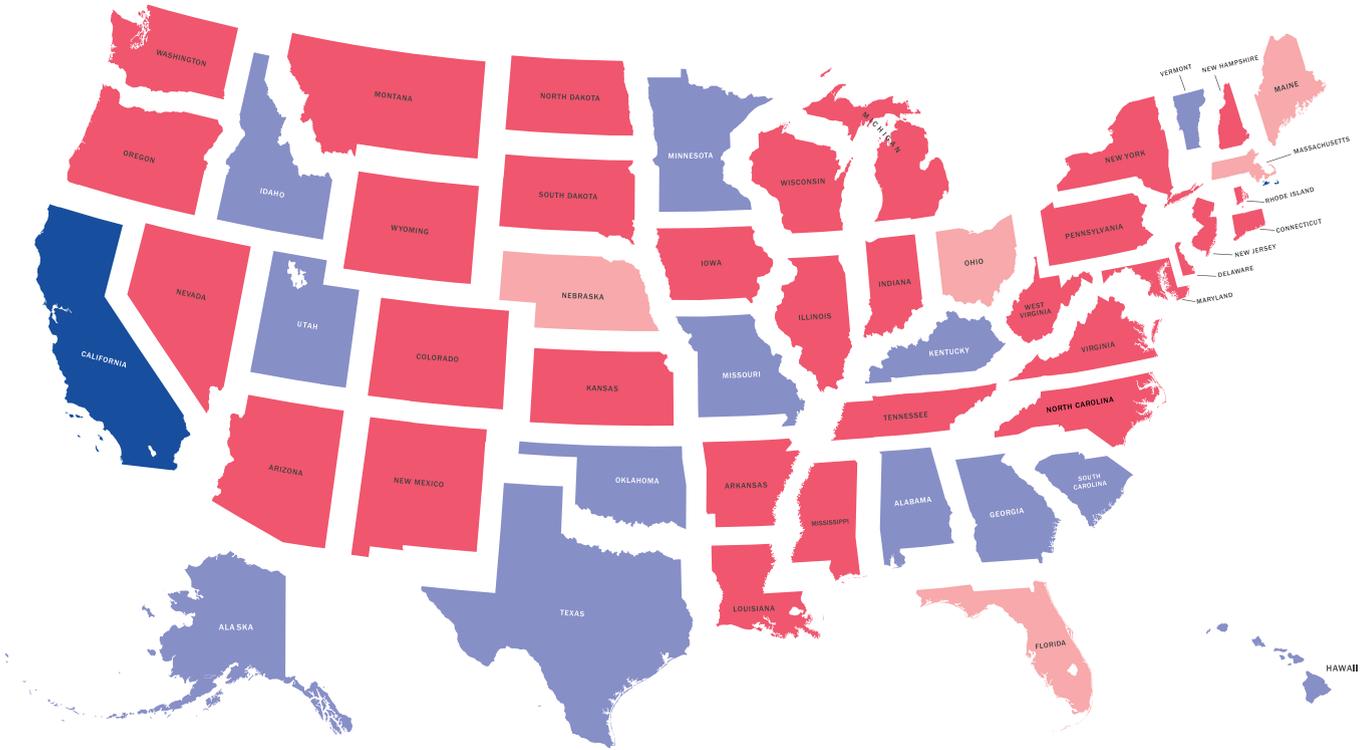
There are iterations of customer success that currently exist across the B2B space that, depending on their remit, vary considerably, but a customer-centric approach is the one that truly works. As one of the few to have such a department, OpenBet can attest to its efficacy — the products and services are important but so are the people behind them providing guidance, recommendations, as well as content. Operators need to be viewed as partners first and foremost, and key frameworks should be established to support them.



Susan Quach is the senior director for customer experience at OpenBet. Having previously worked as a consultant for Deloitte, she joined OpenBet as the first business analyst, establishing the role and seeing it become a critical position across many of the company's teams. She is passionate about providing value to customers and has spearheaded many successful projects with OpenBet.



The state of play



- Live and legal
- Legal but not operational
- Active or pre-filed legislation in place
- No legislation

Each quarter we investigate which states have gone live with legal sports betting, those that have yet to launch but have legalized betting, those that have embarked on the journey to regulated sports betting, as well as the states where the prospect of regulation is not currently present.

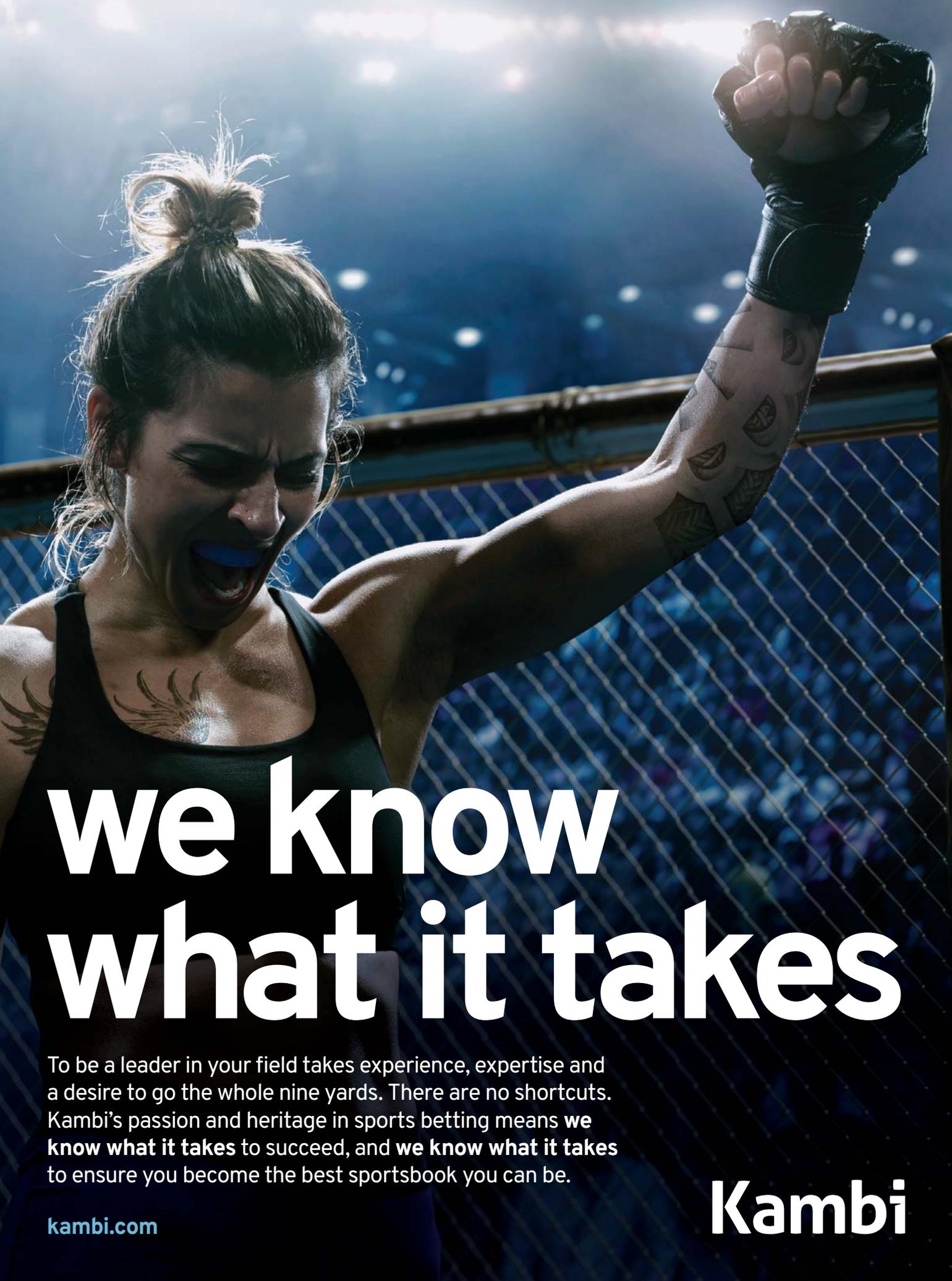
The last quarter marked the traditional downtime period for US legislators, with many legislative sessions already ended ahead of the national elections scheduled in both the US Senate and House of Representatives in November. One state where seemingly all legislative holiday was canceled was Kansas, where legislators realized a quicksilver launch, coming just 115 days after legislation passed, a new record for sports betting and in time for the new NFL season.

Another state where deadline-busting was a feature of its sports betting journey was Massachusetts, where legislators stayed up until the early morning on August 11 to sign the bill into law. A total of 40 operators have indicated their interest in entering the Bay State, however representatives from the Massachusetts Gaming Commission are discussing potential launch dates at the time of publication of this report.

Building on its progress during the prior quarter, Ohio opened the books on licensing, receiving a substantial number of license applications from interested operators, both retail and online, as well as suppliers and sporting organizations. Contrary to previous reporting, Maryland finally broke through its own sea of ambivalence towards sports betting to make real progress, opening the licens-

ing process during the quarter. However, if reports are to be believed, it could well be 2023 before the state finally joins the fray.

One state where the course of legislation remains a hot topic (and one to which this writer can personally attest following a recent trip to Laguna Beach) is California, where competing ballot initiatives — one backed by Californian tribal operators, and one supported by some elite US operators — are going head to head. A furious round of campaigning has become the norm in the country's most populous state, with TV ads for competing campaigns airing on almost every ad break and spend on both sides rocketing into the multi-millions. However, recent editorials from the *Los Angeles Times* and the opinions of speakers at the EGR US Power Summit seem to suggest that neither initiative will be favored with voters when the state eventually goes to the polls to decide the issue on November 8.



we know what it takes

To be a leader in your field takes experience, expertise and a desire to go the whole nine yards. There are no shortcuts. Kambi's passion and heritage in sports betting means we **know what it takes** to succeed, and we know what it takes to ensure you become the best sportsbook you can be.

kambi.com

Kambi



egr.global/northamerica/