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PAGE 51

GPWA TIMES
GAMBLING PORTAL WEBMASTERS ASSOCIATION
JUNE 2010
GPWA.ORG

VICTORY'S SECRET

Antonio Esfandiari has an ace up his sleeve at Victory Poker – the CEO

ALSO:

World Cup roundtable
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France and England changing the game

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LETTER FROM THE DIRECTOR

Welcome to Number 13! It's one of our biggest issues ever, with in-depth coverage and expert commentary on a broad spectrum of industry-related developments.

In our cover story, Dan Fleyshman of Victory Poker speaks candidly with Aaron Todd about the new site. He tells Aaron that he's not expecting VP to become the next Full Tilt or PokerStars, but it's hard to believe that he'll rest until he actually makes that happen. By the way, whatever you do when you're in Las Vegas, make sure you never accept an invitation from Blitz Bilzerian to drop by his condo for a visit.

Speaking of poker, Jeremy Enke has a thing or two to share with us about the importance of not taking shortcuts when creating a poker forum. Players, he tells us, are quite adept at distinguishing between a forum with useful, original content and one that looks like a run-of-the-mill banner farm. Do it right, and your patience and hard work will pay off.

Other stories you'll want to read include Gary Trask's look at the current state of Online Bingo and his discussion with Matija Vorgic and Dean Leyland on how to promote the World Cup, Adam van Vlaardingen's suggestions for building player trust and brand recognition through social networking, the eye-opening prognostications of four industry heavyweights, Vin Narayanan's report on changes in gaming legislation in France and the U.K., some very good affiliate and affiliate manager interviews, a major addition to the Wall of Shame and our photo gallery featuring highlights of the GPWA's recent trips to Australia and Holland for a couple of very good conferences.

This issue will be distributed to all attendees of the iGaming Super Show in Prague at the end of May. We'll be there, and we're looking forward to seeing you there too!

Finally, a reminder: if you're not receiving the GPWA Times in the mail, stop whatever you're doing, visit gpwa.org/magazine and start your free subscription now. You'll be glad you did.

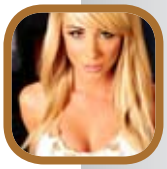
Sincerely,

Michael A. Corfman
GPWA Executive Director

8 **Social Networking and the iGaming Landscape**
Social networking has hit the iGaming world, and Adam van Vlaardingen wants you to recognize and reap the rewards.

12 **Out and About in Australia and Amsterdam**
Cameras clicked overtime to bring us excellent images from iGB Down Under and CAC Amsterdam.

20 **The GPWA Times Magazine World Cup Round Table**
Gary Trask picks up some good marketing ideas from two online sports-betting experts.



38 **Cover Story: The Face of Things to Come**
Aaron Todd takes us along as Dan Fleyshman gives him an exclusive tour of the newly launched Victory Poker.

ALSO IN THIS ISSUE

18 Building a Sucessful Online Poker Community

24 Online Bingo – What a Difference a Year Makes

26 Gazing into the Crystal Ball

70 France and the U.K Take a Second Look at Their Gambling Laws

DEPARTMENTS

6 By the Numbers

7 Cartoon Caption Contest

22 Event Calendar

48 GPWA Sponsors

52 Affiliate Interview Series

60 APCW's Wall of Shame

62 Affiliate Manager Interviews

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BY THE NUMBERS

32,000

The number of jobs that would be created if the United States legalized online gambling, according to a study by H2 Gambling Capital.

$543 million

The amount in fines Daniel Tzvetkoff faces after being arrested for processing online gambling transactions for Americans through his payment processor Intabill.

53

The age of EOG.com owner Kenneth Weitzner, who reportedly committed suicide in Virginia in April.

$8.4 million

The amount Everest Poker was supposed to pay the World Series of Poker for being the tournament's sponsor in 2010. Everest is suing Harrah's, claiming a breach of contract when WSOP broadcasts in France displayed Full Tilt Poker logos on the tables.

290,000

The number of players that the Entraction online poker network gets access to after reaching an agreement with Betsson.

€18.7 billion

The amount of regulated e-gaming and betting activities in Italy, according to eGaming Review.

€242,000

The amount of money four armed robbers reportedly stole from an EPT event in Berlin.

$75 million

The amount of money Tiger Woods was offered by Paddy Power in a sponsorship deal. He declined.

30%

The percentage of American adults who visited a land-based casino in 2009, according to a report from Mintel.

12%

The percentage of American adults who visited an online casino in 2009, according to the same report.

8

The number of teams in the 20-team English Premier League sponsored by online gambling companies.

$200 million

The tax revenue that could be generated in Florida by legalizing online poker, according to State Rep. Joseph Abruzzo (D-Wellington).

$500,000

The amount Annie Duke won by claiming the National Heads-Up Poker Championship in March.

€33.4 million

The amount Playtech paid to acquire Virtue Fusion, with an additional payment of €8.1 million dependent on performance in the first quarter of 2011.

€60 million

The amount of a sponsorship deal that A. C. Milan signed with Dubai's Emirates Airlines. It was previously sponsored by bwin.

$1.4 billion

The estimated annual revenue of PokerStars, according to an article on Forbes.com.

$223,420

The amount won on a progressive slot machine at Win A Day Casino, its largest win ever.

€1,000

The personal bounty offered by Bodog Poker Network CEO Patrik Selin to whoever knocked him out of the EPT Grand Final in Monaco.

250 million

The milestone poker hand Sky Poker is expected to reach in the near future.

Caption Contest

One of the nice things about playing blackjack online is when you lose, there isn't an audience (you hope) to watch you go down in defeat. But when you're in a live casino, not only are there people watching you lose money, but you also have to watch others win. And that's exactly the situation our affiliate finds himself in here. What's he thinking? What's his fellow player thinking? That's for you to decide!

Go to the forums at gpwa.org and submit your caption for this cartoon. We'll take a look at all the entries and pick the one we think is the funniest. The winner will be announced in our next issue and will receive a free copy of the iGaming Business Directory.

Drawings by Ben Riley, www.ben-riley.com

LAST ISSUE'S CARTOON

In our last issue, we asked for a caption for the cartoon pictured above, where an affiliate is in a room with his computer out while everyone else is watching England outplay the United States in the World Cup.

THE WINNER IS . . .

"You better be booking a cruise because this is NOT how I expected us to spend our wedding anniversary!" – *my3sons*

Congratulations to "my3sons," who wins a free iGaming Business Directory.

AND THE RUNNERS UP . . .

"OK. So that's englandvsusaworldc-upliveinplay.com bought. Just gotta knock up a site before the game finishes and I reckon that's a nice little niche" – *The-BoyMitchell*

"There go Chips and Pompy fighting over whether it is called football or soccer again!" – *Chips*

"Hmmmm, if 24 players each deposit $500 and my rev share is 30%...woo hoo... GREAT GAME!!!" – *casinobonusrus*

"Does he have to place his sports bet online now?! He may win on this game, but the odds of him winning tonight are growing very slim!" – *ladypress*

"Never again. I thought these GPWA people partied. Next time my date shows up with a laptop he's getting kicked in his processor!" – *UltimatePokerBonus*

"Didn't you bet on a 10-0 victory for the USA?" – *cat*

SOCIAL NETWORKING AND THE iGAMING LANDSCAPE

By Adam van Vlaardingen

Social networking is no longer just a preteen phenomenon for updating each other's current favorite MTV music videos; it's part of our daily lives. Social networking has also hit the iGaming world, and the iGaming market stands to reap the rewards of this largely untapped, effective communication vehicle. Yet, even with so much hype surrounding the term "social media," there remain large contingents of operators and affiliates who are reluctant to embrace the medium.

Out with the old and in with the new

There are several reasons to operate online social networks as a principal source of communication.

By transforming consumers into content-producers, operators and affiliates alike are able to leverage organic content and develop brand awareness on a mass scale. By developing a feedback loop, not only are you encouraging opinion sharing, but you are increasing the dialogue surrounding your brand. Promoting discussion and getting consumers involved will help build trust and recognition of your brand.

Social networking not only extends your reach, it also has an advantage in potential immediacy of impact. An operator or affiliate looking for feedback on a potential idea will receive information significantly faster through social networking mediums than through more traditional forms of communication such as e-mail.

Social networking is a long-term project with long-term impact. Involvement in social media has a tremendous upside, but requires a significant investment of numerous resources to effectively and efficiently implement. This investment of resources is what will truly impact your desired results, and the reality is that these efforts are meant to be shared.

The development of a following requires the involvement of a group of people. In order to inject personality, promote discussion and receive feedback, a group of participants needs to manage the dialogue and offer more personal responses. This long-term commitment will be a major factor in producing long-term results.

What Have We Learned?

We are always learning new things about social networking as the medium is still growing in scope and scale. It is not an exact science, and that is what makes it so attractive to affiliates and operators who want to expand their communication scope. What we have learned so far is that social networking has a tremendous impact that is far-reaching. Depending on which form of social networking is being used, it can be effectively implemented as a variety of tools.

Acquisition Tool

For operators searching for new affiliates, or affiliates seeking new players, vehicles like Twitter and Facebook can be excellent ways to acquire additional business. Effectively utilizing these mediums lets you avoid the "salesy" approach and allows you to focus on the appropriate targets for your message. You can develop a Facebook Fan Page for your brand and promote offerings through it to gain access to a pool of individuals who prefer this medium, or you can Tweet the latest promotion and gain the attention of users on-the-go through the mobile interface of Twitter.

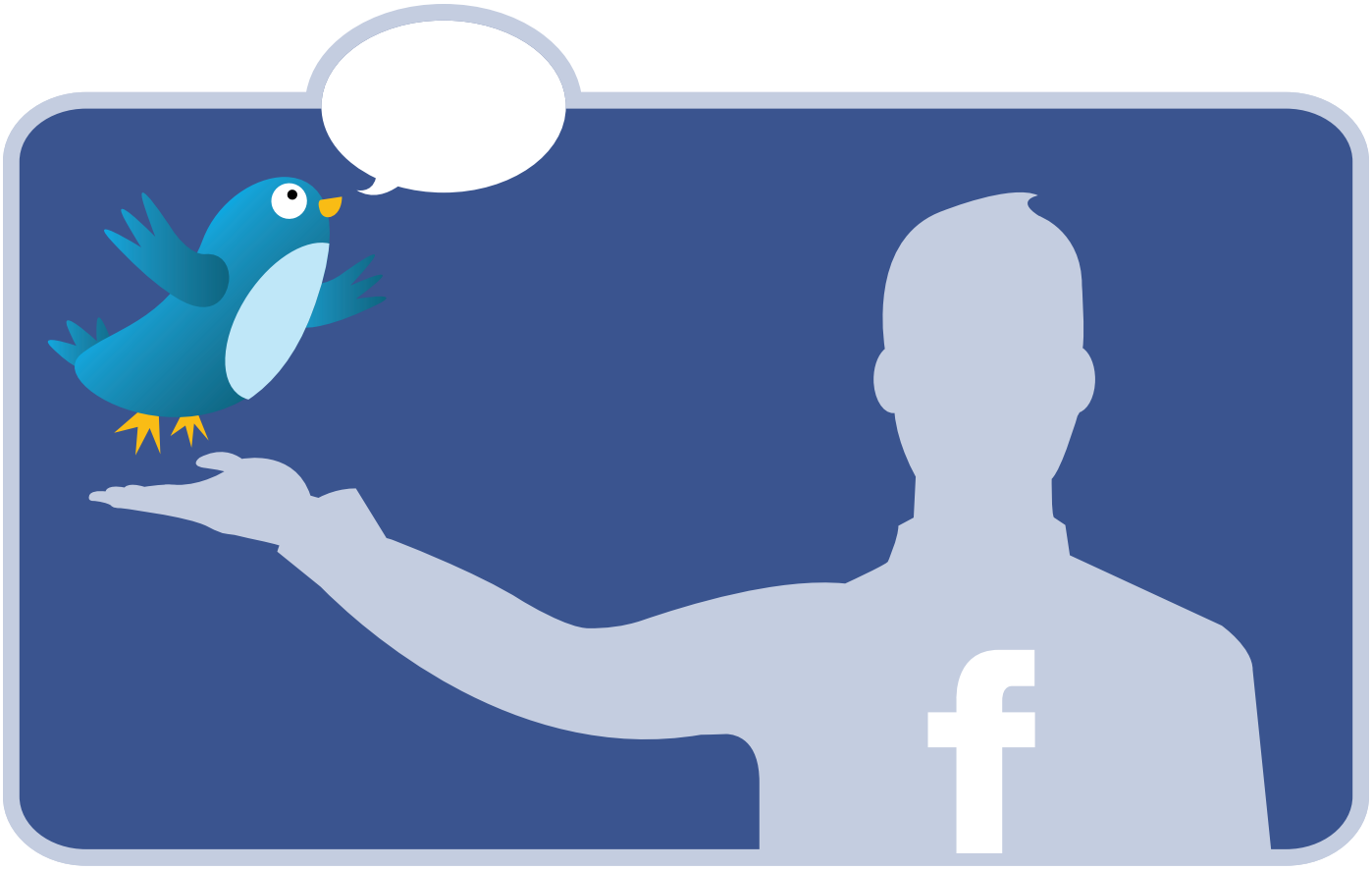
Retention Tool

By developing a personal dialogue, operators and affiliates are able to increase rapport with their target markets. This in turn leads to an increase in trust, which ultimately leads to retention. But retention requires consistent care and attention. Just like a relationship with a friend, social networking creates a bond that requires regular communication in order to retain strong ties among operator, affiliate and player. In this vein, it is important to remain consistent in your communication, responding in a timely manner to encourage a flow of dialogue and to sustain interest.

CRM Tool

By openly encouraging feedback, you will undoubtedly encounter some negative criticism. The important thing to remember is that if people are willing to bring up something negative, they are actively thinking of your brand and are looking for a solution. By monitoring this feedback, responding with immediacy and addressing the issue, you are actively supporting your customers and developing your relationship with them. Eliminating the "cookie cutter" response and adding a personal touch is simply one way to regain the trust of customers that may have been lost due to something entirely avoidable.

Although it may seem daunting at first, your involvement with social media will help support your marketing efforts while opening up new opportunities that are presented through the use of these media. According to a Pew Research Center survey of individuals 18 years or older, al-



most half (46 percent) said they get their news from four to six news platforms each day. Mainstream conventional media are declining in effectiveness and this has led to an upsurge in communicating directly with the end-user. Through the development of this relationship, the potential to gain valuable insight into feelings about and opinions of your products and brands is vast. It really doesn't get any better than this—being able to obtain a mountain of feedback and potential ideas by simply paying attention to your consumers and addressing their concerns with genuine reactions.

Brand management tool

Ultimately, by working on your relationships and being supportive, you are increasing the perceived value of your brand. Interconnectivity is a driving force behind social networking and it all leads to brand management.

The results of such efforts will be long-lasting; however, they may appear to be intangible at first. The gambling space is a saturated market. By effectively using the aforementioned tools, your relationship management and customer retention will be strong enough to withstand the flashy attractiveness of a rival skyscraper banner or sign-up bonus.

Another major lesson is that different forms of social media have different functions, and thus can be utilized in different ways to efficiently leverage their related strengths while minimizing the impact of their weaknesses.

Take for example the Twitter vs. Facebook conundrum. Where Twitter excels in its immediacy, convenience and targeting, it is lacking in that it must deliver anything meaningful in no more than 140 characters. It has the valuable ability to help direct your target market to a specific landing page, but lacks the scale of a character-unrestricted post. To use it effectively, you have to follow the right people, have the right people follow you, and be able to optimize 140 characters to get your point across in a message that is interesting and relevant to your audience.

Facebook, on the other hand, delivers a wealth of users (a major increase in scale of communication), offers a more personal form of communication and provides the ability to host a discussion, create a fan page and become Google-indexed. However, it has the potential to work against you if your discussion takes a less-than-desirable route.

When managed correctly, an open discussion can have a wealth of potential. By encouraging dialogue and building receptiveness, you are fundamentally building confidence in your brand. Your affiliate marketing software should offer tracking and monitoring abilities to examine stats, which will help you gain insight into your target market's opinions and their receptiveness. Any perceived success must be measured in order to prove the worth of your investment, and such statistics can be invaluable in helping you determine the future course of your involvement.

For example, when your software can track the performance of a social media campaign, the benefits are that you are able to determine the relative success of different campaigns, while comparing effectiveness of certain keywords and verifying the click-through rates as well as a variety of useful stats. By running concurrent campaigns, being able to tweak them on-the-go and ultimately having the abili-

ty to determine which are more successful, the potential not only to learn more about your target markets, but also to effectively communicate with them, is what will help propel you to social media success.

KEYS TO SUCCESS

Have a strategy

Involvement in social networking is a two-way street. It requires a regularity of communication and investment, while focusing on a defined, attainable goal. Determining how your objectives will alter your relationships with your customers is vital to your strategy. If your business goal is to gain x amount of new business during the year, and you have aligned your social media goal with it, then you must have a strategy in place to carry out the necessary tasks. Through a combination of social networking vehicles, your communication will be offered to the digital world. If there is no strategy behind it, then monitoring its performance serves no purpose.

Understand the process

Like any undertaking, there is a process by which relative success is measured. Realizing a large financial impact after the first three months of investment is improbable. The initial investment of time, people and funds is followed by several stages before any kind of financial impact can be determined. Once action is taken, and a reaction is established, a non-financial impact will occur. This impact will be the tipping point for the subsequent stage: the financial impact. Non-financial impact includes a number of things such as increased brand perception, increased Web site visitors and blog and forum comments. These will all affect your ROI in the long-run, as you increase your conversion rate by using the various aforementioned tools.

Immerse yourself In key channels

It is useful to maximize your involvement in several forms of social media in order to fully realize the strengths that each has to offer. By utilizing these effectively, you will gain diverse levels of feedback, as various markets experience social media in different ways. By involving yourself in key channels you will remain fresh in your target markets' minds, and this will increase your brand recognition.

Align social media goals with business goals

Review your business goals and expectations, and take the opportunity to align your social media agenda and goals to support your bottom line. This multi-faceted approach toward a shared objective is a great way to remain focused and on course. Social media vehicles can easily become distractions if topics sway off course, so it is important to remember what objectives have been set.

If there is one point to take away from this, it is that social media are a fantastic support vehicle for connecting and communicating with your audience. They offer the opportunity to build relationships with end-users (players) and promoters (affiliates) while developing a personality associated with your program (operators). It is important to remember that social media are a very effective vehicle and are best suited to be accompanied by other marketing efforts. Standing alone, they can be a powerful marketing tool, but to be utilized most effectively, a multi-platform approach is usually best. With a variety of marketing efforts supporting one another – consistency, focus and social networking – the potential for success is greatly improved.

"For operators searching for new affiliates, or affiliates seeking to garner new players, vehicles like Twitter and Facebook can be excellent ways to acquire additional business."

Adam van Vlaardingen

Adam is an affiliate manager at Income Access. He has an interest in mobile marketing, social networking and the future of the affiliate marketing industry. He resides and works in Montreal.

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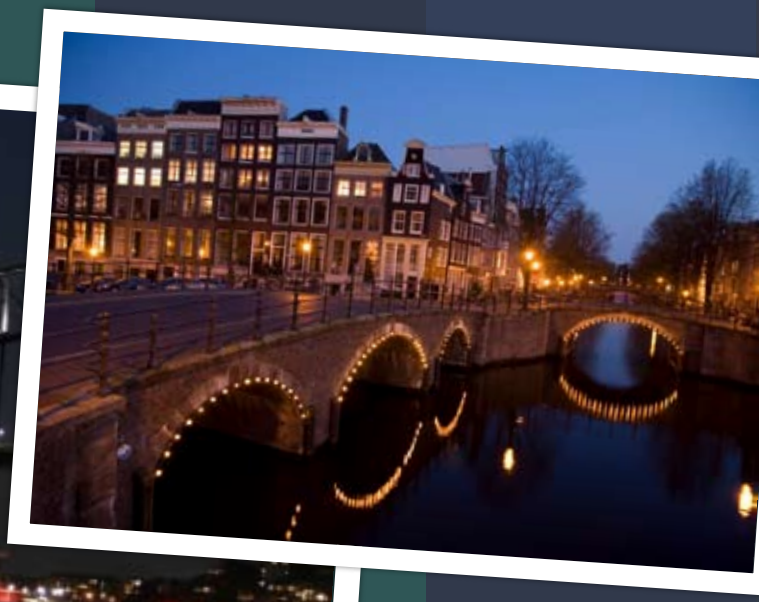
Out and About in AUSTRALIA and AMSTERDAM

The GPWA made its way to Australia and the Netherlands in the past few months, attending iGB Down Under and CAC Amsterdam. As usual, there was plenty of time for networking and gossip about industry news, but there was also plenty of time to socialize at parties as well!

Special thanks to Renée Mate (Rewards Affiliates) and Kiera Goymour (iGB) for providing the photos from Australia, while Debbee Silverman (Casino City) provided the photos from Amsterdam.

If you weren't able to make it to one of these conferences, we hope to see you at an upcoming conference soon! Check the calendar on page ?? and make your plans to party with the GPWA!

Image: Susie B / FreeDigitalPhotos.net



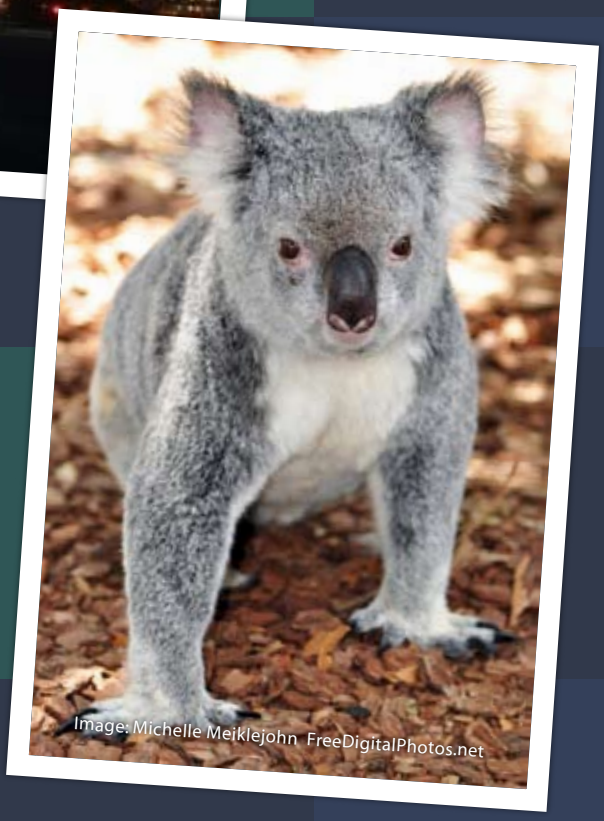


Image: Michelle Meiklejohn FreeDigitalPhotos.net

The GPWA's Steven Corfman (left) enjoys a drink with some friends in Australia. (courtesy of Kiera Goymour)

Schalk van der Sandt from Canbet (right) and Rudi from Rewards Affiliates (back) ham it up for the camera. (courtesy of Kiera Goymour)

Hilary Stovall (Slotland Affiliates) and Renee Mate (Rewards Affiliates) enjoying a drink at The Loft.

Affiliates hard at work at an iGB Down Under session. (courtesy of Kiera Goymour)

Delegate badges await affiliates at iGB Down Under. (courtesy of Kiera Goymour)

The GPWA's Steven Corfman and Renee share a laugh.

iGB's Shona ODonnell and Kiera Goymour take in some Aussie sun at the Rewards Affiliates Wind Down BBQ and Beach Volleyball at Bronte Beach. (courtesy of Renée Maté)

Yaniv Klein from Rewards Affiliates cooks some meat (again!) for the Rewards Affiliates Wind Down BBQ. (courtesy of Renée Maté)

Josh and his friends chilling at the BBQ at Bronte Beach. (courtesy of Renée Maté)

Salvador and Dave Casey (Casino Rewards/Rewards Affiliates) enjoy some awesome food at Bronte Beach. (courtesy of Renée Maté)

Gustav Lipzcsey and Erik Hellqvist (Unibet) do some networking while lounging in leather chairs. (courtesy of Kiera Goymour)

Grant Laubscher and Tarryn Ward from Referback. (courtesy of Kiera Goymour)

Shona, Frank and Kiera out on the town at The Loft. (courtesy of Renée Maté)

Shona, Helene (Rewards Affiliates), Renée and Kiera pose for the camera. (courtesy of Kiera Goymour)

Beacon shows Alex Pratt (iGaming Business) some love

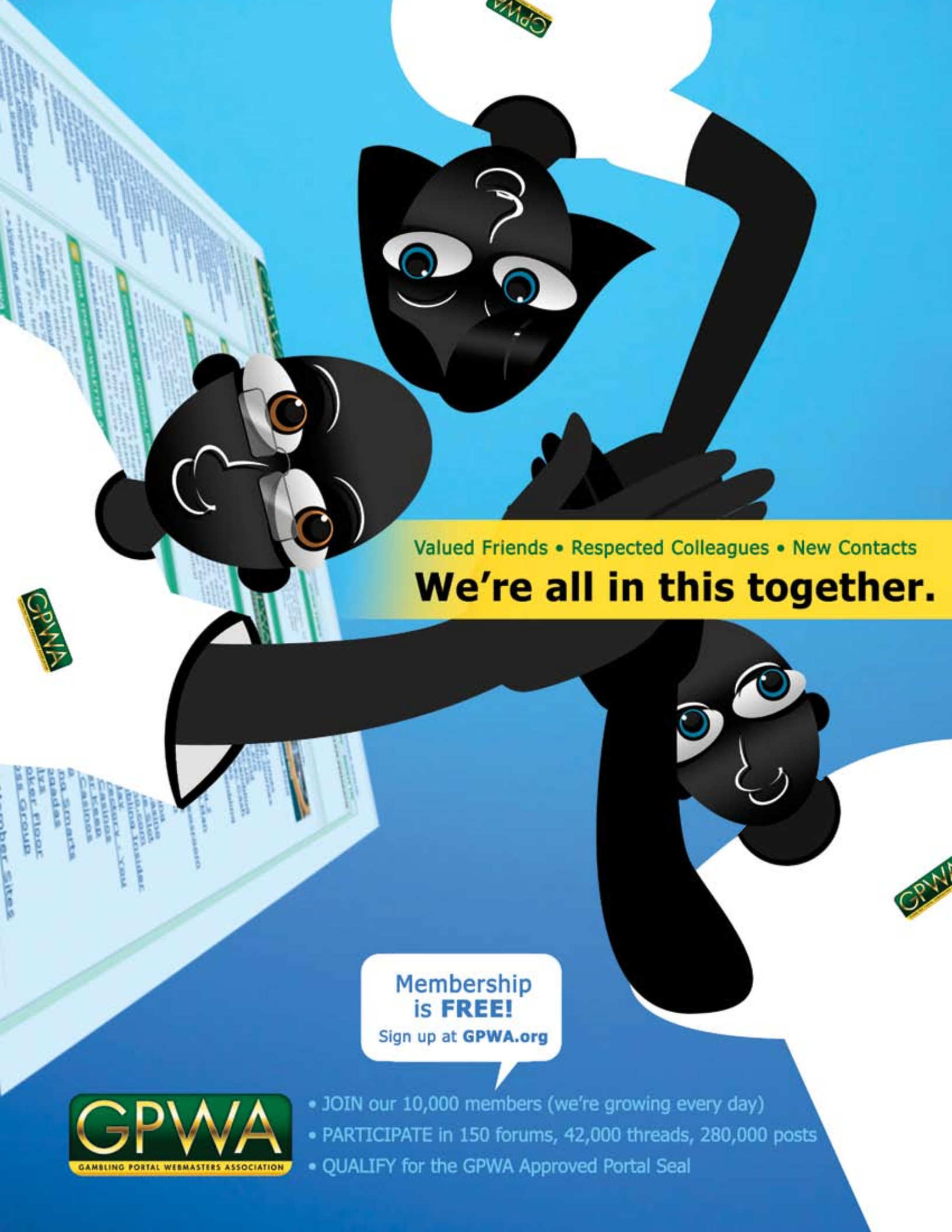
Bryan Bailey (Casinomeister), Roman Humpelstetter (Intertops), and GPWA member Dave Sawyer enjoy a beverage

Debbee Silverman (Casino City), Beal, and JTodd share a laugh

GPWA Executive Director Michael Corfman at the CWC dinner

JTodd gets frisky with Gary Beal in this group shot

(Photos courtesy of Debbee Silverman, Casino City)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BUILDING A SUCCESSFUL ONLINE POKER COMMUNITY

By Jeremy Enke

Building a successful forum or online community can be one of the most challenging and difficult things for an Internet marketer to accomplish. In the poker affiliate market, it is even more difficult due to the number of established poker forums that are already successful. As Internet marketers continue to go social, community building remains a hot topic. In this article I hope to share some tips and advice on the best way to launch a successful poker community.

With any forum or community, first impressions are critical. I strongly suggest investing some money in a good platform and launching with a nice design. When deciding to build a forum, you have several software options to choose from. The five most popular forum software platforms currently on the market are vBulletin, phpBB, YaBB, IVB and SMF.

Many webmasters may disagree, but in my opinion, for operating a poker forum there is no better software out there than vBulletin. One tremendous benefit of going with vBulletin is that many poker players who post in forums are already familiar with the interface. Many of the largest poker forums in the world are already using this platform. Launching with vBulletin will undoubtedly increase your sign-ups and activity among new members.

Although a vBulletin license can cost you a couple hundred dollars per forum, it is worth every penny. Unlike much of the free forum software out there, vBulletin is extremely secure as long as you maintain your updates. Additionally, vBulletin has hundreds of great plug-ins and add-ons that will allow you to truly customize your community. The interface for your members, moderators and administrators is by far the most user-friendly platform on the market.

Regardless of the forum software you choose, as a poker affiliate you must realize that launching an online poker forum will not create an immediate cash cow. This is actually a very common misconception among many poker affiliates. Sure, you are going to begin building a database of poker players, but you shouldn't expect to profit from these members until several months down the road. If there is one golden rule you remember from this article, it should be this: Poker players do not sign up at forums with the intention to click on your banners and make you money; they sign up to become part of a community where they can interact with other poker players.

> "Regardless of the forum software you choose, as a poker affiliate you must realize that launching an online poker forum will not create an immediate cash cow."

This is one of the fundamental mistakes poker affiliates make when trying to start or grow an online forum.

So how do you grow a forum or community within the online poker market? Below are a few pointers:

Stand out & be different – If your poker forum is the same as the several hundred others on the Internet, what would really entice your traffic to sign up and post? My suggestion would be to focus on some sort of niche in the poker affiliate market.

Seed content – Visitors are not going to just show up and post of their own free will. As the admin of the forum you need to plant "seed content" that is either very interesting or even controversial. Give your traffic and random Web surfers a reason to sign up and post in your community.

Rules & moderation – If you are starting a forum, treat it like a full-time job. Bring on great moderators who can help create seed content, reply to posts and welcome new guests. Most importantly though, as you begin to grow you have to make sure that all spam is deleted in a timely fashion. Even one spam post can give a terrible first impression and cause people to immediately exit the site.

MOPFI – This is an old-school sales principle, but it is very effective when growing a forum. MOPFI stands for Make Other People Feel Important. If you are running the forums, practice MOPFI on a regular basis with your members and staff. When you recognize your members, you will be amazed at how quickly they develop loyalty to your community.

Start small & grow – Nothing is more of a turnoff than arriving at a new poker forum and seeing 50-odd forums and flashing banners embedded there. Most

of the time these forums either have never been posted in, or haven't been posted in for months. Start small and keep all your members' posts confined to a small area. Motion creates emotion! When members and visitors see activity in a few forums, they will be much more likely to get involved. Having too many forums and categories is extremely overwhelming for new members. Keep it simple.

Another important aspect of running a forum is that someone with a strong personality has to take on the leadership role. Whether it is you, a moderator, or you and a few moderators, somebody has to take on the position of leadership and direction in the community. The leader or leaders need to be active and posting every single day. Strong leadership and having the leaders active are key ingredients for growing a successful community.

Once you establish a leadership role with your members, you can begin to monetize the community. The way to monetize your forum members is NOT simply getting them to click on random links and banners. It is by engaging these members by hosting tournaments, poker leagues and special promotions. Another way to monetize your members is by offering some sort of incentive such as rakeback, rake races or a special deposit bonus.

There are two other important points that are essential when building an online community.

1. Compelling content is king – Initially when starting a forum, you have to give people a reason to sign up and post. Between you and your moderators, make sure that the posts and content in your forum are not the same old boring hand histories. Also make sure that the forum is always active. If that means you and your moderators have to participate in conversations with each other all day, then by all means do it. One thing I do not suggest, however, is utilizing "pay per post" services to get your forum active. These services seldom result in good content and will actually devalue your community.

2. Forum banner blindness – There is a reason why many social networks and online communities such as Facebook have a hard time making a profit. Unlike mini-sites where your goal is to attract visitors and encourage them to leave through your links, communities your goal is to get your visitors to act and to spend time on your site. Because of this, monetizing poker affiliate forums is more difficult than most would suspect. Think about the online communities or social networks you visit daily. You probably go there to be social, read threads, send PMs and catch up with others in the community, and not to immediately click on affiliate links and leave.

Think about this: When was the last time you clicked an ad at Facebook, MySpace or even your favorite forum? Probably never. Poker affiliates must realize that banners and text links are not the road to riches when running a forum.

In order to profit with an online community, you have to be willing to think outside the box a little bit and leverage the relationships you have developed with your members. Relationships are key when it comes to converting these members to profits. The bottom line is unless you are willing to form relationships with hundreds of forum members, you will make more money running an online portal that ranks well in the search engines.

Gauging the success of an online community can be difficult, especially when starting out. Just because your forum isn't profitable doesn't necessarily mean it isn't successful. Building a successful community is a marathon, not a sprint. One way that I have always measured success in online communities is when I see members getting to personally know other members. If your members are becoming friends, sharing PMs or speaking offline, then you know you have created a community that has loads of potential for years to come.

Building a successful online poker community takes a lot of patience and hard work. However, once you have accomplished this, the fruits of your labor and the friendships you make can last throughout your entire poker affiliate career.

Jermy Enke

Jeremy Enke is the CEO of Poker Affiliate Listings (PokerAffiliateListings.com). Jeremy has dedicated over six years to the poker affiliate market, with an overall mission throughout this time of helping affiliate marketers reach their full potential and become more successful in this terrific industry. Jeremy has been involved in the poker affiliate industry since 2003. Founding the world's largest poker affiliate community, followed by the world's largest poker affiliate network, Jeremy likes to refer to himself as a self-proclaimed Certified Baller. Jeremy's sense of humor and entrepreneurial spirit are second to none.

THE GPWA TIMES MAGAZINE

WORLD CUP ROUND TABLE

By Gary Trask

Every four years, the World Cup is one of the most anticipated events on the planet, and this year's tournament will be no different. Beginning June 11, the quest for 32 nations to capture the coveted title will begin and the world will be watching…literally.

In 2006, an estimated 715 million people watched the final match between eventual champion Italy and runner-up France. When that many people are paying attention to one single event it can mean big business for those of us in the affiliate marketing industry.

As we inch closer to the start of this year's World Cup in South Africa, the GPWA Times sat down with two men who will have a vested interest in the popularity of the event.

Matija Vorgic – otherwise known as "buyonaut" on the GPWA forums – is a sports-betting affiliate who operates the sites Bet2win.eu.com, Kladionicasport.com and Freebets.uk.com. The 38-year-old is based in Dubai and has worked in the affiliate marketing industry for the last four years. The other member of our impromptu "World Cup Round Table" is Dean Leyland, the Senior Online Acquisitions Executive for Totesport Affiliates in Wigan, U.K. The 25-year-old Leyland is a six-year veteran of the industry.

Both men agreed to speak with us regarding how their respective ends of the business will use the World Cup to generate traffic, how their customers typically wager on the event and what teams they think will make some noise once the games commence.

Here is how our conversation went:

As far as events that help generate new customers and gross amount of wagers, where does the World Cup stand?

Matija: The World Cup is the biggest event in football, worldwide. Even people that usually don't follow football get engaged in the event, especially if their country is taking part. Football-related traffic increases by at least 50% percent and perhaps more as the event is going on. After experiencing Euro 2008, I'm sure the World Cup will be excellent for sports-betting affiliates.

Dean: This year's World Cup is expected to be THE biggest event in terms of customer acquisition and turnover we have ever seen. Online betting has really come of age since the last World Cup with companies more geared to accepting worldwide traffic for a worldwide event. For

Totesport the World Cup is the number one event this year with Cheltenham a close second. Obviously we have a close affinity with Cheltenham. It is what Totesport has been all about since 1928. But we are engaging more and more with other sports. We are no longer just about racing but football, golf and cricket, too.

How will you use the World Cup to generate traffic?

Dean: We like to keep our cards close to our chest on these matters, only telling affiliates and customers alike when we feel the time is right. Obviously we will be giving affiliates enough time to add the content to their sites so there is no need to worry on that front.

We can appreciate that. What about you, Matija? Can you share with us how you'll promote the event?

Matija: I will create special sections dedicated to the World Cup. There will be a lot of previews, statistics and forum posts. CPC advertising helps a lot and I will use that for at least two months – the month before the event and during event.

How popular are the competition or prize pool contests? Do they help you convert smaller or more casual players into more regular players?

Matija: Tipster competition with money prizes is the core of my sites. It is a great converter tool and if you are fair to your players, they tend to stick to your project. Competitions are very popular since they are fun, tense and users can get some free cash.

Dean: I must admit, I am not a fan of competitions to gain acquisition or assist in conversions. They are more of a fun diversion for users. Having managed the partnership between one of England's biggest Premier League football teams and an online betting company I have been in the position of relying on competitions to drive acquisition and it just didn't work in that particular case. Season tickets, signed shirts, even the chance to play at the ground were popular competitions, but did little in terms of generating traffic.

Do punters who don't typically bet on football – or any other sports – decide to specifically bet on the World Cup? If so, do these new players typically convert into full-time players?

Matija: This is really a good question. I would think that people that are not yet betting online but are placing some bets in local betting shops are likely to become online players with good signup bonuses during the Word Cup.

Do you agree, Dean?

Dean: Yes. Usually a customer whose betting profile seems to be consistent with horse racing betting, for example, will have a small flutter on the World Cup.

Matija: Online betting still has a lot of room to grow and from my experience when your friends start to play online you follow. It is as simple as that. I placed my first online bet in 2000 and never walked into another betting shop again.

Dean: Yes, it's more of an interest thing. They will be subjected to watching the matches either at home or down the pub so having a small bet helps keep interest.

Matija: Some people are still reluctant to play online; it looks too complicated to them – but with a new generation of players coming up that are tech savvy, it is the fastest-growing online industry. We might see some people that never used to bet become players, but those numbers could be short term – during the event and never again. On the other hand, there will be people that will start their betting career during the World Cup and continue to bet. It is hard to say, but numbers of signups and first-time deposits will increase.

What's more popular: "To-win" bets before the World Cup begins, or the single-game betting?

Dean: Outright betting will be our most popular market, by far.

Matija: I also expect to see a lot of live betting during this year's World Cup.

At what point of the World Cup do you get the most traffic?

Dean: Immediately prior to the World Cup commencing and just before England games. Being a U.K. company the bulk of our base is from the U.K. and so they have a huge interest in the home team.

Matija: My best time will be at the very start, when there are a lot of games and all countries are still in the game.

Let's move away from the business side of things and talk to you both as fans. How closely do you follow the sport and who are your favorite teams?

Dean: I love the World Cup. Racing is great and I enjoy playing golf regularly, but nothing comes close to football, especially the World Cup. Obviously England is my team and I hope they do well this year, but I have my doubts. Secretly I follow Spain, too. Being a Liverpool fan, their team of a few years ago consisted of Reina, Arbeloa, Alonso, Torres and Reira so I think deep down, most Liverpool fans will be keeping an eye on how the Spanish team does.

Matija: I follow the World Cup from Game 1 all the way until the very end. My favorite team is Croatia, but since they are not going, I will support Netherlands, Spain and England.

Before we let you go, can you pull out your crystal ball and give us some predictions?

Matija: I think Serbia could pull off very good results; they have an excellent team. And as always Germany, Brazil, Argentina and Italy are to be looked after.

Dean: No surprise for my teams to beat – Spain and Brazil. Brazil quietly went about their business during qualifying, swapping flair for grit and dynamism whilst Spain has the best set of individual players compared to any other team.

2010 EVENT CALENDAR

For full details, visit gpwa.org/conferences

May 2010

12-13 May
Global Interactive Gaming Summit & Expo (GiGSE)
Palais des Congres
Montreal, Canada
gigse.com

25-28 May
iGaming Super Show
The Prague Fairground
Exhibition Centre
Prague, Czech Republic
igamingsupershow.com

June 2010

8-9 June
5th Annual Online Bingo Summit & Awards
London, England
bulletbusiness.com/bingo

14-15 June
EGR Live
Old Billingsgate
London, England
egrlive.com

July 2010

20-22 July
Sportsbetting & Lotteries Asia
Hong Kong
beaconevents.com

August 2010

15-17 August
Affiliate Summit East
Hilton New York
New York, New York USA
affiliatesummit.com

27-30 August
CBG Affiliate Weekend
Hilton Hotel and Suites
Niagara Falls, Canada
cbgaffiliateweekend.com

September 2010

1-2 September
Latin American iGaming Congress (LAiG)
Uruguay
laigcongress.com

iGB España
Hotel Hesperia
Madrid, Spain
igbespana.com

October 2010

7-10 October
Budapest Affiliate Conference
SYMA Centre
Budapest, Hungary
budapestaffiliateconference.com

19-21 October
European iGaming Congress & Expo (EiG)
Bella Center
Copenhagen, Denmark
eigexpo.com

November 2010

12 November
Finance for Online Gambling
Grand Hotel
Stockholm, Sweden
i-gamingforum.com

16-18 November
Global Gaming Expo (G2E)
Las Vegas Convention Center
Las Vegas, Nevada USA
globalgamingexpo.com

Scandinavian Affiliate Super Summit
Grand Hotel
Stockholm, Sweden
i-gamingforum.com

January 2011

9-11 January
Affiliate Summit West 2010
Wynn Las Vegas
Las Vegas, Nevada
affiliatesummit.com

25-27 January
International Gaming Expo (IGE)
Earls Court Exhibition Center
London, United Kingdom
ige-exhibition.com

27-29 January
The Betting Show
Earls Court Exhibition Center
London, United Kingdom
bettingshow.com

27-30 January
London Affiliate Conference (LAC)
London, United Kingdom
londonaffiliateconference.com

March 2011

Asian i-Gaming Congress & Expo (AiG)
Sofitel Philippine Plaza
Manila, Philippines
aigcongress.com

iGB DownUnder
Star City
Sydney, Australia
igbaffiliate.com

April 2011

CAC Amsterdam
NH Grand Krasnapolsky
Amsterdam, The Netherlands
cac2011.com

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ONLINE BINGO – WHAT A DIFFERENCE A YEAR MAKES

Has the bingo bubble burst, or is the best yet to come?

By Gary Trask

After seeing a surge in popularity and revenue for the better part of the last five years, the online bingo industry is suddenly at a crossroads.

"We've been very fortunate as an industry," admits Phil Fraser, the founder of WhichBingo.com and WhichBingo.co.uk. "But it now appears we have our work cut out for us if we want to continue to see the kind of growth we have become accustomed to."

Fraser is scheduled to be a keynote speaker at the 5th Annual Online Bingo Summit in London June 8-9, where topics for discussion include player saturation, consolidation and product innovation, all of which are critical elements to the future of online bingo.

"We are not yet at the point where we're desperate to survive," Fraser explains. "There is still money to be made and we can all still make a profit. But how much that profit will end up being over the next few years is in serious doubt."

Phil Fraser, Focus Online Management

As little as 16 months ago, there didn't seem to be any doubt that the economic opportunities for online bingo were endless. The number of online bingo sites in the U.K. – the most prolific bingo market in the world – went from 17 in 2004 to 238 in 2008 and the number of players in the U.K. doubled between 2007 and 2008. H2 Gambling Capital, a leading supplier of data regarding the gambling industry, reported that global online bingo revenue in 2008 topped $1.5 billion and would reach $2.5 billion by 2012. Even Internet powerhouse Google got into the act, reporting in December of 2008 that Web research showed that Internet bingo was nearing the same popularity as online poker.

But instead the bingo boom has gone bust, to some extent. After seeing a 10 percent growth in players month-to-month for most of 2008 and the beginning of 2009, that number has dropped to less than 1 percent a month. The primary reason for the flatlining growth is market saturation, but the problem goes much deeper than that, according to Fraser.

First off, there have been more new transactions during the last year that have helped the "big get even bigger," according to Fraser, a former online casino manager at William Hill who now owns Focus Online Management, which runs the WhichBingo sites as well as

FreeBingo.co.uk, BingoVIPClub.com, LiveFreeBingo.com and TopBingoSites.com.

Last summer, PartyGaming purchased Cashcade, which owns the Foxy Bingo and Think Bingo sites, and in March Harrah's Interactive Entertainment entered the market by launching CAESARS Bingo Online in the U.K. Earlier this year, Paddy Power opened a bingo room and created an online magazine dedicated to bingo – believed to be the first of its kind – called Bingo Power.

"As the big get bigger, the smaller sites might not be able to compete," Fraser explains. "This is an open market, but that isn't something that's going to allow for a lot of growth. Then you have companies that have never offered bingo before, but are very good at sportsbook or casinos, now getting into the bingo market. And this is muddying the waters even further."

In turn, bingo affiliates who have seen their share of the pie shrink have taken on the "if you can't beat 'em, join 'em" defense. Over the last year, Fraser said that a recurring trend has seen bingo affiliates become bingo operators.

"What they're thinking is, 'Wait a minute. If I'm generating X amount of traffic and sending it to a bingo room and getting Y as revenue, why don't I just keep all of that traffic and get a much, much bigger Y figure,'" says Fraser. "It all makes perfect sense."

An example is Costa Bingo, whose chief executive Richard Skelhorn started U.K. casino portal Casino Choice in 2001. Other successful affiliates such as Digital Prophets and Bingoport have also gone into the operator space during the last year.

"Being an affiliate, all you do is recruit players," Skelhorn told E-Gaming Review earlier this year. "That's what we have done, day and night, for eight years…This is a challenge, but knowing how to market to and get players gives us a head start."

While Fraser fully understands the reasoning and logic behind affiliates going to the next step and not only operating skins, but also becoming operators, he isn't so sure that it will lead to unmitigated success.

"I think what these affiliates are finding is that the grass isn't always greener on the other side," says Fraser. "It's one thing to market bingo and generate traffic. But generating all of that traffic and then being responsible for retention, restarts, registration and customer service is a whole other set of problems."

These recent developments may have slowed the overwhelming progress of the last five years, but they have far from stopped it altogether. The online bingo industry still has the potential to flourish, provided it generates more players through awareness, product innovation and expansion into new markets. But, Fraser points out, this could be easier said than done.

"The beauty of bingo is its simplicity, but at the same time that is also one of its major downfalls."

– Phil Fraser, Focus Online Management

Product awareness is moving forward thanks to the well-known players in the business continuing to expand and develop while other non-gaming brands – such as Virgin Online Bingo – increase the game's popularity and reach.

Product innovation, however, is a bit more of a challenge.

"The beauty of bingo is its simplicity, but at the same time that is also one of its major downfalls," Fraser says. "The fact that it's a simple game is a weakness because you can't do much with it. You call out the numbers, the players pick them off and then somebody wins. If you try to change that or complicate it, you could hurt its mass appeal.

"The same goes for content. You always hear that content is king, but really, how much can you write about bingo? It's not like poker where you could write countless strategy articles. There's no Doyle Brunson of bingo. Sure, you can write on and on about promotions and the like, but that's not the kind of content that will generate new players."

But the uncomplicated nature of bingo could also help it expand into other markets. The reason online bingo was so popular in the pre-UIGEA U.S. and absolutely exploded in the U.K. is the game's simplicity.

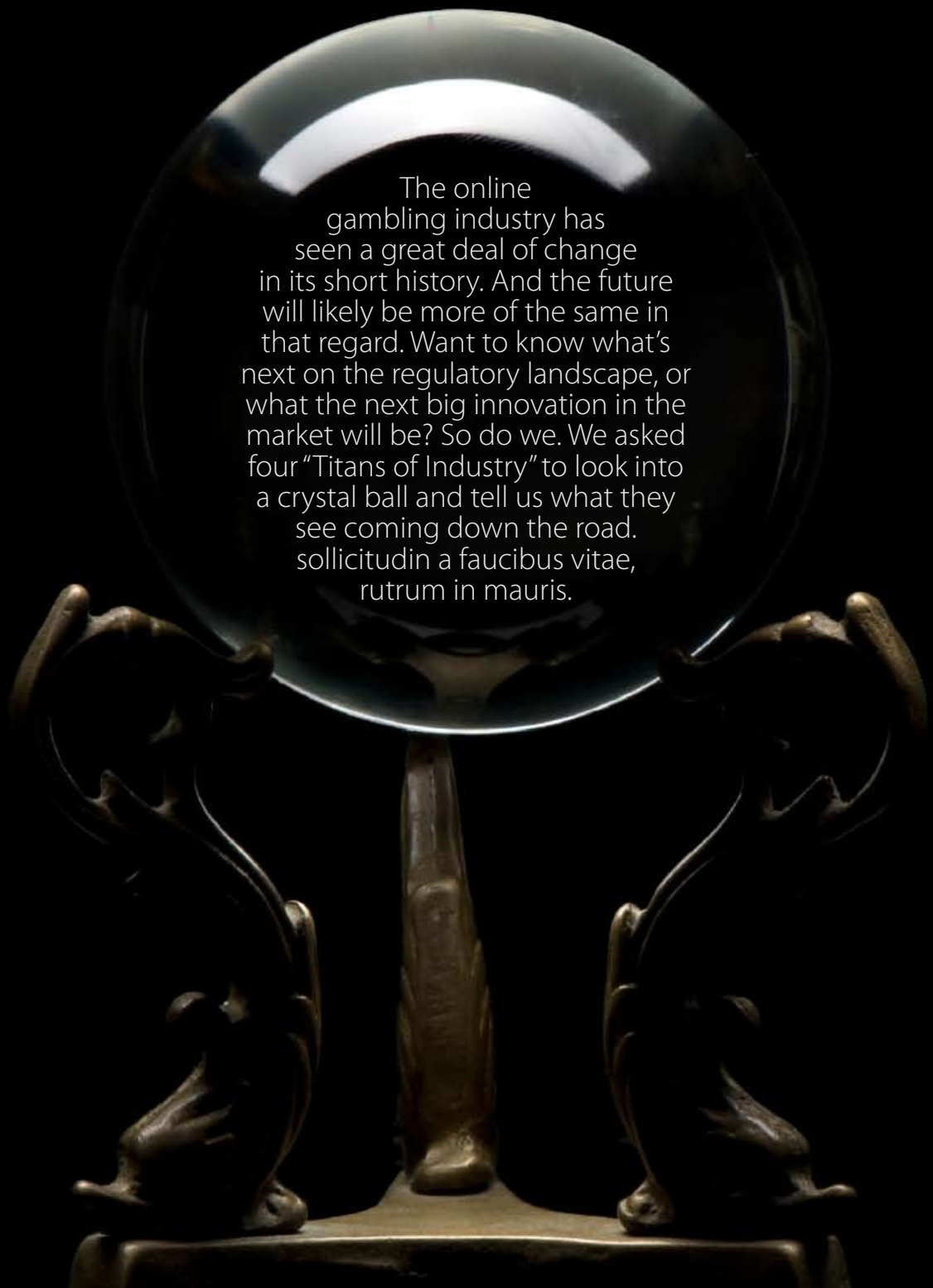
"It's like a novice gambler walking into a Vegas casino," says Fraser. "He may know how to play blackjack and roulette and he knows how a slot machine works. But don't put him anywhere near a craps table or Sic Bo table. It's just too complicated."

Another factor in bingo's success in the U.S. and U.K. is that it was already integrated into society. With that said, Fraser's newest target for growth is Spain, where he launched QueBingo.com in 2008 but growth has been slow for economic reasons. South America is also a possibility, but economic and broadband challenges may inhibit the growth. The game has done well in Scandinavia, and Fraser feels the next battleground could well be Italy.

But larger European markets like France and Germany as well as the Far East are unlikely to see much traction because of the lack of history with the game.

"The next greatest growth area has to have the same culture of the game that the U.S and U.K. have," Fraser adds. "When you're dealing with a country like that, bingo is a natural. Despite the stagnant nature of the market, it can still succeed. And we're counting on it to happen."

GAZING INTO THE CRYSTAL BALL



The online gambling industry has seen a great deal of change in its short history. And the future will likely be more of the same in that regard. Want to know what's next on the regulatory landscape, or what the next big innovation in the market will be? So do we. We asked four "Titans of Industry" to look into a crystal ball and tell us what they see coming down the road. sollicitudin a faucibus vitae, rutrum in mauris.

RIGHT2BET'S CAUTIOUS OPTIMISM AT THE PROSPECT OF MUCH-NEEDED CHANGE

by Ari Last, Right2bet

There's no doubt that the EU's current status quo with regards to online gambling needs to change. The protectionist behavior of the governments of several member states flies in the face of an EU built upon the bedrock of fair competition and free trade.

People are no longer fooled by the false claims espoused by those seeking to protect state gambling monopolies, and excuses for banning the superior competition at the expense of the consumer are running out.

There are currently 17 cases involving member states before the European Court of Justice, and the current situation of inconsistent, unworkable and conflicting rules and regulations regarding the industry simply cannot be sustained.

The tide toward regulation is creeping in, with several member states seemingly realizing that ignoring the fundamental EU principles of freedom of trade and services is not a viable option in the coming years.

The relative success of the Italian regulation model is encouraging others to follow suit, and while in principle right2bet applauds this shift, we are at the same time extremely cautious as to how far this regulation will go, and we worry that rather than strengthening competition and the power of consumer choice, it will in fact achieve the opposite.

Under pressure from the EU Commission, member states have been attempting, and will continue to attempt, to portray themselves as working to liberalize, when in reality they do nothing of the sort.

The recently approved reform in France is an example of this, whereby the French now claim to have opened up their market, when they have only strengthened the position of the state monopoly, Française des jeux (FDJ).

They have done this by stating that the competition is welcome, while at the same time laying down rules regarding taxation, product offering and company location that make the prospect of setting up in France commercially unattractive.

That is unless you are already a French supplier, like the FDJ, who will be able to increase advertising and offer more services to a customer base that in reality won't be faced with much other choice, particularly in the short-term.

If the Commission fails to challenge so-called gambling reform such as that in France, they will in essence be paving the way for other member states to follow suit, and this is worrying for both private operators and consumers alike.

Should private operators deem it too costly and risky to enter heavily fortified markets we would expect them to embark on a consolidation strategy, in an attempt to become players in certain regions through already established, local service providers. While this would be better than there being just one provider available, the benefits in terms of competition would fall well short of what a truly open market could offer the consumer.

Right2bet has been running a betting challenge for the past few months in which we've compared the odds and potential winnings offered by state monopolies and private operators.

The results are truly startling. Consumers forced to bet with the state provider in Sweden and Germany make 35 percent less in winnings than an EU neighbor who can bet with an array of private

> "It's not only inferior odds that a lack of competition brings; it's a lower standard all round in terms of usability, products and customer service."

providers. In France, the odds offered by FDJ have resulted in 30 percent less winnings.

This lack of value is scandalous, and should member states be allowed to continue curbing the competition, it is an offense that will be perpetrated over and over again.

It's not only inferior odds that a lack of competition brings; it's a lower standard all round in terms of usability, products and customer service. Crucially, the risk to consumers is also increased when players in search of the best value and service are ushered into the realms of black-market betting by local authorities attempting to push them

into a less enjoyable and profitable corner.

The current trend certainly suggests that the next few years will see more states regulating their markets. We're hopeful that they'll realize that the responsibility is upon them to do so in a manner that ensures their citizens are the real beneficiaries.

In this respect, the recent words of the newly appointed Commissioner for Internal Market and Services, Michel Barnier, encouraged us. Barnier sternly told those member states seeking to prevent private operators entering their domain that the Commission would continue reviewing cases between states and private operators on their individual merits. This intimated to us that he would take a tough stance on those seeking to use the same flawed excuses in their attempts to maintain their monopolies.

Barnier's Belgian colleague Etienne Marique, the president of the country's gaming commission, further impressed us with his remarks that his country will be using their upcoming time in the EU Presidency to seek "legal clarity" with regards to the online gambling market, and while we're encouraged by the apparent realization in Brussels that change is necessary, we await concrete, positive developments with bated breath.

right2bet has always campaigned for the EU principles of freedom of trade and services to be applied to the betting industry in the same manner that they are applied to many others. We want a "one-license fits all" system in place, whereby any EU operator that has a license in one country should be granted access to any market within the EU. This in turn will allow consumers to bet with whomever they choose.

As touched on above, member states have been allowed to use baseless arguments concerning crime prevention and consumer protection for too long, and we'd like to see the concrete proof provided by independent reports that refute these claims to be given greater credence and consideration.

It's in the interest of monopoly-backers to fuel the idea that an open gambling market is bad for the consumer and society. We're sure that if the right moves are made to expose the fallacy of these claims, the chances will greatly increase that European citizens will be granted access to the plethora of reputable operators available to them.

We believe that the next five years will see the opening up of the EU's online gambling market to a degree, but as far as we're concerned it will in all likelihood not go far enough. Liberalization is most certainly in the cards, although exactly how such liberalization is defined over the next few years will be critical. You may rest assured that we'll be doing all we can to bring about the type of change that will let all European consumers reap the benefits that only genuine market freedom can bring.

Ari is Right2bet's campaign manager tasked primarily with building and maintaining relationships with individuals and organizations who share the campaign's desire to see all Europeans benefiting from a free, safe and secure European gambling market.

STRUCTURAL GROWTH DRIVERS UNDERPIN A POSITIVE OUTLOOK FOR THE INTERACTIVE GAMBLING SECTOR

By Gavin Kelleher, H2Gambling Capital

While interactive gambling has not been immune from the global financial crisis of the last two years, it has continued to deliver impressive rates of growth and has displayed resilience that other sectors have not. H2 estimates that the global interactive gambling industry was worth $26.6 billion in 2009, which was an increase of 13.2 percent over 2008.

So what does the future hold for the interactive gambling sector? While we are not forecasting a significant economic recovery, we believe the global interactive gambling sector can continue to grow and we are forecasting growth of 14 percent in 2010 and 12 percent in 2011. The general consensus at present is that the worst of the financial crisis could be behind us and there are signs that the first "green shoots" of economic recovery have been seen. However, we are inclined to remain on the bearish side in terms of the economic outlook. High levels of unemployment are likely to continue in most EU countries, and the cautious consumer is unlikely to increase spending any time soon. Additionally, certain countries' fiscal positions remain a worry, such as Greece, Spain, Portugal and Ireland. So given that the economic backdrop remains cautious and a significant rebound is unlikely in the short term, we believe structural growth drivers such as regulation, innovation and penetration will underpin growth in the interactive gambling industry.

Regulatory drivers remain positive

Predicting how governments are going to act in terms of regulation is a difficult task. Throw in that the regulation would be surrounding any form of gambling and that task becomes all the more difficult. However, we appear to be at a point in time where there are more countries/jurisdictions looking to take a favorable approach to interactive gambling than there are those that are looking to prohibit it. Regulation tends to lead to an increase in interactive gambling activity as markets become more mainstream due to increased marketing and more companies becoming involved in the sector.

Italy, which started to license its online gambling markets in 2007, is being viewed widely as a success story for proper regulation, which allows commercial competition. The regulated online poker and online sports betting markets have grown impressively in Italy since late 2007, and the regulation has been successful in moving offshore activity onshore. The French regulated market is set to open in 2010, and while initial tax rates imposed look highly punitive for the industry, most operators are set to sign up despite the regulatory conditions, thus moving "onshore." Denmark is another country that is likely to regulate, and, outside Europe, Australia appears ready to open its markets to a greater extent.

H2 believes that the deregulation of interactive gambling across Europe will be a slow process conducted on a country-by-country basis but that by 2020 there is the possibility that as much as 35 percent (in the region of €50 billion) of what could potentially be a €140 to €150 billon marketplace would be accounted for by interactive market channels. However, given the importance of economies of scale in iGaming and the concentration of value in just a handful of member states, H2 believes that the winners in the European marketplace will be decided long before this time as

"Regulation tends to lead to an increase in interactive gambling activity as markets become more mainstream."

the Italian, French, Spanish and perhaps German and Greek markets are played out in the near future.

In the U.S., the regulatory backdrop is more complex and everyone is split on whether regulation will be introduced on a federal or state level, or if any regulation will be introduced at all. At this stage, UIGEA is set to be implemented on

June 1st 2010, having been delayed in late 2009, and it will be interesting to see the impact, if any, this will have on existing offshore activity taking place in the U.S. In terms of potential regulation to be introduced, much has been made of federal moves from legislators such as Rep. Barney Frank (D-Mass.) and Sen. Harry Reid (D-Nev.). However, while we would not rule out federal-level legislation/regulation, it has always had a number of difficult hurdles to jump, and this time it will be no different. If any U.S. regulation is introduced, it looks more likely that it will be on a state rather than a federal level. As has been widely reported, numerous states such as Florida, California and New Jersey are looking closely at regulating interstate Internet poker. Our current forecasts assume no change in the U.S. situation from a regulatory perspective, and we estimate that the U.S. interactive gambling market was worth $5.1 billion in 2009. We have estimated that if the U.S. were to fully regulate all forms of interactive gambling that it could create approximately 30,000 jobs and would generate $22 billion in gross gambling yield in a full year.

Innovation will continue to drive growth in the industry

Innovation has been a key driver of the industry since its origins in the mid 1990s and this is likely to remain the case. A key innovation in the industry in the last number of years has been live betting or betting in running. Leading sports-betting operators have stated that live betting is accounting for in some cases more than 50 percent of interactive sports-betting turnover. While live betting has led to some cannibalization with traditional online sports betting, it has grown the overall online sports-betting market. The upcoming World Cup in South Africa is likely to further drive live betting/betting in running products.

Another area of innovation within the sector is mobile betting, which we believe it is on the way to becoming a significant driver of growth. While we have seen many false starts for mobile over the years, the introduction of the iPhone and the impact it has had on mobile devices in general means operators can finally offer customers a highly user friendly and interactive mobile experience in interactive sports betting. In terms of other verticals (casino, poker and bingo), we may not be there just yet in terms of mobile technology for them to become a mass-market mobile product offering, but watch this space.

Outside of betting, innovation in interactive casino gaming is constantly occurring, with live casino offerings becoming more prevalent and many operators reporting stellar growth from live casinos. In addition, online casino games are using an increasing level of interactivity. This interactivity is what players are demanding and many operators have stated how games with high levels of interactivity have been successful in increasing player life cycles and player yields. In addition, we are also seeing more and more convergence between online gambling and online gaming. We believe this is likely to continue, particularly as the current generation of online gamers matures into online gamblers. This convergence is likely to lead to further innovation in casino games in the future.

> "Innovation has been a key driver of the industry since its origins in the mid 1990s and this is likely to remain the case."

Interactive gambling still remains small in relation to overall gambling

Given the impressive rates of growth that have been delivered by the interactive gambling industry over the last 15 years, people will still ask how it can continue to grow at impressive rates. Looking at the overall interactive gambling market globally, we estimate that it was worth $26.6 billion in 2009, just 8.6 percent of the overall global gambling industry. This rate of penetration is low compared to that of other industries. For example, in the travel industry 42 percent of activity takes place online, while household goods see 35 percent of activity online and computer software sees 21 percent. We believe the penetration rate of interactive gambling will continue to grow. Our positive view is underpinned by the fact that broadband penetration continues to increase, new products continue to be introduced and the newer breed of gamblers are more technologically savvy and thus more likely to conduct a more significant proportion of their gambling online.

In summary, the interactive gambling industry will continue to be impacted by the unique economic times in which we find ourselves. However, unlike many other industries, interactive gambling is in an enviable position given the structural growth drivers that are underpinning its growth. These structural growth drivers look set to remain in place, which gives us confidence in the positive view we have for the future of the industry.

Gavin Kelleher is an independent gambling consultant who works with H2 Gambling Capital, a leading gambling market intelligence and consulting group based in the U.K.

CONSOLIDATION, DIVERSIFICATION AND REGULATION

By Clive Hawkswood,
Remote Gaming Association

Making predictions about the remote gambling industry is always fun. People can disagree with you, but at the time they are made nobody can prove they are wrong. Then further down the road when everyone else has long forgotten about them it's easy to go back and quote selectively to demonstrate your finely honed skills with a crystal ball.

Of course that only works if at least one of the predictions comes to pass, so to hedge my bets it makes sense to make predictions about lots of issues. The list below is therefore lengthy, so the odds are that at least some of them will turn out to be right.

1. There will be more consolidation in the industry. I can hardly say that you heard it here first, but we are a maturing industry and that is what happens. It is already happening even though we have not yet had a so-called "headline making" deal, and over the next two or three years I would expect that to accelerate. There are various drivers for this but one of the sticking points in the past, especially for publicly listed companies, has been uncertainty about potential legal liabilities. The risks of that can be expected to recede as greater legal clarity emerges in a whole range of markets. It will happen; it's just a question of when.

2. With consolidation will come accelerated diversification. Online gamblers want and increasingly expect a one-stop shop. Companies that specialize in one form of gambling already find it hard when their carefully cultivated and expensively recruited customers go off to a competitor to access a different kind of product. For instance, an online sportsbook that might attract great new business because of interest in the World Cup in South Africa this year would be missing a trick if those newly attracted customers then go off to play poker or roulette somewhere else.

In the same way that specialist food outlets have been squeezed by the growth of shopping malls and supermarkets, it will become harder for niche operators to thrive in the online gambling industry. There will always be exceptions to that rule and it would be a duller place if that weren't so, but the economics of competition will inevitably make it tougher.

3. Industry profits will be taxed at a higher rate. Although it sticks in the throat a bit to say it, this will be the real price of more companies gaining unfettered market access. There will be a huge range of tax issues to address, not the least of which will be avoiding the threat of double taxation, but a "higher" (not "high") tax burden will become the norm. The transition will not be an easy one for the industry because it calls for a huge amount of education of policymakers, regulators and politicians in lots of jurisdictions. Almost without exception their points of reference will be the tax regimes they have in place for their domestic brick-and-mortar industries, and that is irrespective of whether they have private-sector industries or state monopolies. It is and will be an uphill struggle to persuade them that the business models for off and online gambling are completely different.

4. Consumer demand and market growth will continue strongly for the foreseeable future. Prohibition and overly restrictive tax and regulatory regimes do not work. That is a bitter pill for some jurisdictions to swallow, but like it or not they will find it difficult to bury their heads in the sand and plow on regardless with policies that do not work in practice. In the wider world of e-commerce, of which online gambling

In the same way that specialty food outlets have been squeezed by the growth of shopping malls and supermarkets, so it will become harder for niche operators to thrive in the online gambling industry.

is a successful part, technology has empowered consumers in a way that even 10 years ago would have been hard to imagine. Governments that ignore what their citizens want will have to adjust their thinking.

Consumers are the most important part of the industry and yet tend to be the most readily overlooked when policies are being developed by governments. In terms of spending they can and do vote with their feet, and the first real generations of Internet shoppers will boost e-commerce spending as a whole, and the online gambling industry is well-placed to ride that wave.

Growth will come from the continued supply of excellent gambling products that meet that demand. There are many jurisdictions where legal restrictions prevent the most effective promotion of online gambling products and companies. As a greater body of evidence emerges which demonstrates that online gambling is not some terrible evil that makes problem gambling rates go through the roof, regulators will struggle to objectively justify these kinds of advertising hurdles. However, online consumers do have the freedom to circumvent these barriers, and if they want online gambling products they will seek them out. The continued strength of the U.S. online gambling market should be proof enough of that.

Gambling is a regulated activity just about everywhere and there is no real prospect of that changing, but what we should be able to predict safely is that, as relationships are built and grow between the industry and regulators, more pragmatic regimes will evolve. There will always be a healthy tension between the two, but as more regulators gain a proper understanding of how the industry works and the huge range of tools that companies utilize to underpin effective regulation, they will gain the confidence to relax the reins of control.

Fear of the unknown is common everywhere. For many people in positions of influence combining the Internet and gambling is a match made in hell. It ignites the prejudices and fears of lots of people, and we ignore that at our peril. The answer to that is to become known rather than unknown; to present a human face; to inform in a nonthreatening way. That takes time, and we are still a young industry with an undeserved reputation that too often precedes us. But my prediction is that with more time we will be seen as responsible partners and, as a British politician said of the British gambling industry a few years ago, we can move from the shady side of the street and be accepted as a very reputable industry with high standards.

When that happens, other business sectors and their shareholders will also become more comfortable with the concept of white-labeling and joint ventures. Again it is surely only a matter of time before we see the Googles, Facebooks and Tescos of this world with their own branded online gambling suites.

5. The convergence of technologies. At the moment it is common practice to differentiate among online gambling, mobile gambling and interactive gambling. Those demarcations are a result of the technology that we began with a few years ago and reflect the differing limitations of the respective delivery systems. Those differences will be largely eroded as societies move to having single devices that are both portable and capable of providing their entertainment, information and audiovisual needs. The rapid rollout of iPods, Blackberries, laptops and multi-function mobile phones points to the way ahead. It can only be positive for the remote gambling industry.

6. The industry will have to grapple with shortages of skilled staff. Thankfully, there are many parts of our business where people with transferable skills can quickly slot in. But attracting good people from other sectors and letting them settle in can take time, and every time a business expands or new markets open the thinner that existing experience is spread. Some companies are already addressing this through long-term strategic planning—for instance with in-house training programs for software specialists—but it is easy to see a more structured approach being adopted with a greater degree of succession planning built into company organizations.

7. In many jurisdictions, the introduction of sportsbooks will be the thin end of the online gambling wedge. The very notable exception to this is the USA, where there is almost paranoia in some quarters about sports betting (with the exception of horseracing). This is at best strange given that half the country seems to have no trouble getting a bet down on the Super Bowl every year, but unless the huge sports lobby changes its position dramatically any new licensed market in the USA will be restricted to online poker and hopefully online casinos.

8. My next prediction is a very safe one: sports leagues will fight tooth and nail to extract higher revenues from sportsbooks. This might be through statutory levies, new IP rights, commercial deals or a combination of all three, but the resentment felt against betting operators by a wide range of sporting authorities is hard to underestimate. Sports are traditionally given a sympathetic ear by governments in a way that we can only dream about. They will stoke the fires with ill-founded tales of corruption and betting-related match fixing. This strategy plays to every stereotyped view that politicians and others have of the gambling industry and will be used by sports to seek control of the types of bets that can be offered and, as they put it, to secure a "fair return" for the use of their products. The EU will be the main battleground, and it will get messy.

One final prediction? Serbia at 66/1 for the World Cup.

Clive has been Chief Executive of the Remote Gambling Association since 2004. Before that he spent six years as a policy advisor to the British Government on gambling issues and earlier in his career worked for several years in the betting industry.

THE FUTURE OF INTERNET GAMING: SOME FACTORS TO CONSIDER

By Murray Marshall,
Kahnawake Gaming Commission

It is, of course, impossible to predict with any accuracy what the future of Internet gaming may be — particularly if the forecast extends beyond the next two years. The nature of the industry is such that it changes quickly and has the capacity to morph in unexpected directions; for example, the explosion of peer-to-peer (poker) gaming in the early 2000s had a profound effect on the industry.

That said, there are certain identifiable factors that will influence the industry in the foreseeable future.

Technology

Obviously, the online gaming industry would not exist without the 20th-century technological phenomenon of the Internet. Technological advances have been, and will continue to be, a major influence on the growth and direction of the industry.

As previously mentioned, the advent of peer-to-peer technologies made possible the rapid growth of online poker, which in the early 2000s single-handedly took the industry to a whole new level. Recall that shortly after its initial public offering in 2005, PartyGaming was valued at over $12 billion!

A necessary complement to peer-to-peer technologies was increased bandwidth requirements. Advances in broadband Internet access — both in terms of bandwidth and accessibility to the consumer — have impacted and will continue to impact the industry. Increased bandwidth enables all gaming operators to offer better graphics, sound effects and overall functionality for their games. It allows games to be played using interactive formats, eliminating or reducing the need for time-consuming software downloads. Broadband has also made possible new, bandwidth-intensive forms of gaming such as video streaming "live dealers," which is particularly important for the Asian market.

In the Internet world of shrinking attention spans, speed is king.

In terms of accessibility to the consumer, eMarketer opined in its 2006 U.K. Online Report that "there also is a strong correlation between broadband and online gambling, so as broadband penetration grows the market for online gambling will continue to grow." The increased popularity of online gaming in Europe and Asia in the past few years is driven, at least in part, by increased accessibility to broadband connectivity. It is safe to predict that as access to high-speed connectivity continues to grow, so will the popularity of Internet gaming.

In the past two or three years, gaming through the use of wireless devices — particularly mobile phones — has become a fast-growing segment of the industry. Smart phones with larger screens and better graphics combined with more efficient download capabilities and more affordable data plans have all contributed to the rise of the mobile phone as a platform of interest to many gaming operators and players.

The 5th Annual Mobile Gaming Meeting held in London in November 2008 concluded that it was very possible to improve gaming revenues earned from the games of blackjack, poker, roulette and other casino games with the help of mobile devices within a calendar year.

The jurisdictions with service providers that can best fulfill the industry's technological needs — bandwidth, latency, reli-

"Increased bandwidth . . . allows games to be played using interactive formats – eliminating or reducing the need for time-consuming software downloads."

ability, redundancy — are well-positioned to become market leaders.

Shifting political and legal positions

There is no doubt that, with the exception of Australia — some states of which enacted enabling legislation in the late 1990s and were then quickly throttled back by their federal government — the early years of Internet gaming belonged to the smaller jurisdictions: Antigua, Kahnawake and, later, Isle of Man, Malta, Alderney and Gibraltar.

In 2005, the United Kingdom enacted an extensively revised Gambling Act, which included provisions for the licensing and regulation of "remote gambling." The U.K. Gambling Act provided that operators that were licensed in other EEA countries – or licensed in other "white-listed" jurisdictions – could advertise their services in the U.K. Although many operators were keen to tap into the U.K. market, few were enthusiastic about the prospect of paying U.K. taxes on their gaming revenues.

As a result, many operators chose to locate in white-listed jurisdictions that offered the best of both worlds: the ability to advertise in the U.K., combined with the more favorable tax rates of offshore jurisdictions. This situation is unlikely to continue indefinitely as the U.K. is actively exploring ways to restrict the taxation advantages of being licensed in a white-listed jurisdiction.

In the event the U.K. implements steps to limit the current desirability of being licensed in a white-listed jurisdiction, it will create an imperative for affected jurisdictions to offer other competitive advantages or face a decline in their market share.

European markets have also been, and will continue to be, affected by important decisions of the European Court of Justice in cases such as Gambelli and Placanica. Commentators have predicted that the European online gambling market will expand as recent rulings that gamblers are entitled to the same guarantees of choice and value begin to sink in within EU member countries: "Change is in the Cards."

If there was ever any doubt that a single legislative act could impact the Internet gaming world, that doubt was removed on October 13, 2006, when the United States formally enacted its Unlawful Internet Gambling Enforcement Act (UIGEA).

"The efforts of some U.S. legislators . . . to enact laws that would regulate, rather than prohibit, online gaming—if successful—would clearly have a significant impact on the industry."

Literally overnight, several major gaming companies shed billions of dollars of stock value and took steps to beat a hasty retreat from the U.S. market. European and Asian markets suddenly had a whole new appeal as the industry scrambled to align their business and marketing plans, corporate structures and, of course, payment processing arrangements, to the new post-UIGEA realities.

Among the many ironies that resulted from the enactment of UIGEA was that it was most effective in dissuading only the largest and most reputable gaming operators from taking U.S. players. UIGEA did little or nothing to reduce the number of players in the U.S. — the same market potential in the U.S. exists in the post-UIGEA world as it did prior to the law's passage. All the UIGEA accomplished was to force U.S. players to use the services of smaller — and in some cases unregulated and less reputable — online gaming sites.

As a result of recent expansion of European and Asian markets, most reports indicate that the U.S. no longer has the lion's share of global online gaming players, though it continues to offer a large and demographically desirable player base. Accordingly, the efforts of some U.S. legislators like Rep. Barney Frank (D-Mass.) to enact laws that would regulate, rather than prohibit, online gaming — if successful — would clearly have a significant impact on the industry.

In Canada, although the federal government has kept its head planted firmly in the sand, several provinces have indicated that they are moving ahead with plans to take gaming operations — particularly poker—online. Rather than issuing licenses to third-party operators, the plan calls for existing provincial gaming corporations to maintain their monopoly over gaming — in this case, online gaming.

Given that Canadian provinces are constitutionally restrained from accepting players from outside their geographic boundaries, and given their relatively modest population bases, British Columbia, Quebec and the Atlantic provinces have indicated they will "partner" to create a viable pool of online poker players. Whether or not the plan is financially viable, it is at least a clear indication that Canada is moving in the direction of their U.K. cousins, rather than their U.S. neighbors – i.e., choosing to regulate, rather than prohibit, Internet gaming.

Will smaller jurisdictions like Antigua, Kahnawake and Alderney be able to maintain their market share in view of the rapidly shifting political and legal positions in other, larger jurisdictions? In my view, in the short and medium term, it is likely that smaller jurisdictions will continue to play an important role in the industry. However, to survive in the longer term they must focus on advantages that larger jurisdictions cannot offer – in particular, preferable taxation rates.

Smaller jurisdictions would also benefit from developing closer working relationships at a regulatory level. A network of like-minded smaller jurisdictions that would allow for reciprocal recognition, or portability of licenses would be of significant interest to online gaming operators and would offer a platform that could compete with the monopolistic approach that seems to be favored by larger jurisdictions.

Confluence of regulatory oversight

In the early years of the industry (mid-1990s), regulatory oversight of online gaming was either nonexistent or focused more on "licensing" with little attention to "regulation." The first credible regulatory model emanated from Australia and in particular, Queensland's Interactive Gambling (Player Protection) Act, 1998. The Queensland model served as a basis for the original regulations developed by several other jurisdictions including Kahnawake, Antigua and Malta. These early models were essentially land-based gaming regulations loosely adapted to the online gaming industry.

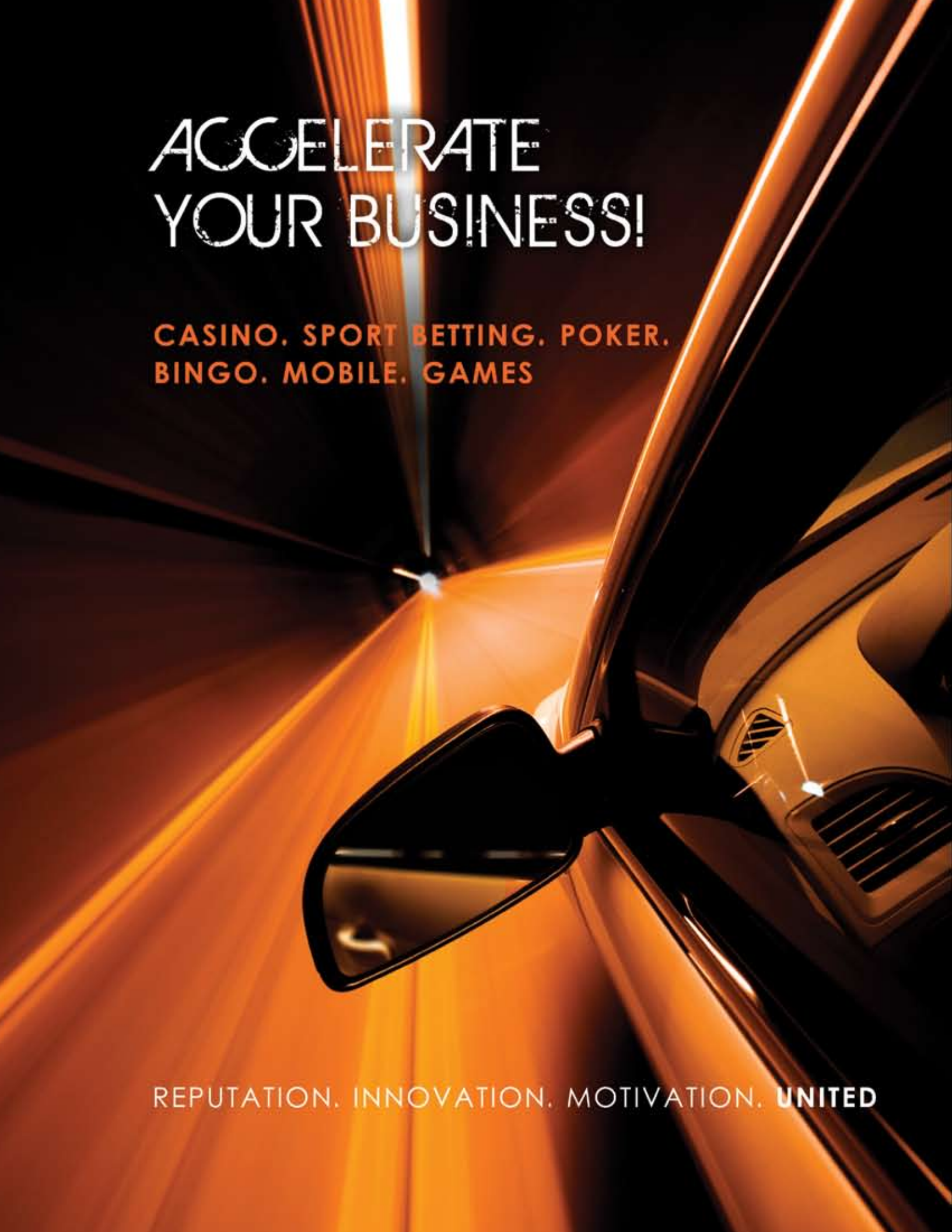
In the first half of the 2000s, although a number of jurisdictions established regulatory regimes for online gaming, there was little if any attempt to reconcile these various regulatory models – creating a global patchwork that provided little certainty or protection to players.

Since approximately 2005, some jurisdictions initiated efforts to develop working relationships among their respective regulators. For example, the Kahnawake Gaming Commission (KGC) entered into Memoranda of Understanding with its counterparts in Antigua (2005) and Malta (2006).
Over the past several years, regulatory models have become much more sophisticated and more specifically tooled to address the unique requirements and demands of the Internet gaming industry. New categories of licensure were created — particularly in Malta and Alderney — to address the distinctions among networks, operators and software providers. In the latter part of the 2000s, in response to industry demands for redundancy, several jurisdictions created mechanisms that allowed operators to locate their servers within their territories for the purpose of "disaster recovery."
The movement toward creating a common standard for the regulation of online gaming has been gaining momentum over the past several years. A subcommittee of the International Association for Gaming Regulators (IAGR) is actively addressing this issue. eCOGRA, which describes itself as "a non-profit, London-based player protection and standards organisation that provides an international framework for best operational practice requirements with particular emphasis on fair and responsible gambling," has developed a comprehensive set of requirements for the auditing and monitoring of online gaming operators that has been approved by the European Gaming and Betting Association (EGBA) and by the KGC.

"The movement toward creating a common standard for the regulation of online gaming has been gaining momentum over the past several years."

There is little doubt that the next few years will see a confluence of regulatory regimes for the online gaming industry. The development and implementation of compatible regulatory standards are clearly in the best interests of players, and are a further indication of the maturation of the industry.

Murray Marshall has been a practising Canadian lawyer for over 22 years and is a member of the bars of Alberta and Québec. He has served as legal counsel and advisor to the Kahnawake Gaming Commission since its inception in 1996 and, in 2009, was named as General Counsel to the Commission.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THE FACE OF THINGS TO COME

Antonio Esfandiari works his magic for Dan Fleyshman and Victory Poker

By Aaron Todd

When Victory Poker held its official launch party in February, it already had more than a dozen professional players endorsing the site. Most of them have built successful careers as online poker pros, and many — like Paul Wasicka, who won more than $6.1 million as the runner-up at the 2006 World Series of Poker (WSOP) — have made waves in live tournaments.

Hard-core poker aficionados and Internet poker forum readers are sure to recognize some of the names on Victory's roster. But the Average Joe, who might casually watch poker on TV when nothing else is on, probably wouldn't recognize any of them even if they were sitting at the same poker table — including Wasicka. Well, all of them except for one — Antonio Esfandiari.

Esfandiari burst onto the poker scene before the "Moneymaker" boom, finishing third at the Lucky Chances Gold Rush tournament in San Francisco during the WPT's first season in November 2002. Nicknamed "The Magician" thanks to his previous profession, Esfandiari memorably outplayed Phil Hellmuth, winning a legion of fans by bullying, and eventually eliminating, the "Poker Brat."

"Antonio is The Magician, he's the magic man, and right now, Phil Hellmuth is the wizard, and [Esfandiari is] making his chips disappear," said WPT commentator Mike Sexton during the Travel Channel's broadcast.

While the performance gave him notoriety in the poker world, Esfandiari's take for his third-place finish was a modest $44,000, as the event's buy-in was just $3,000 and there were only 152 players.

But just 15 months later, after Chris Moneymaker's win at the 2003 WSOP helped create a boom in tournament poker, Esfandiari became the youngest player to become an instant millionaire in a poker tournament. He bested a field of 382 at the 2004 LA Poker Classic, winning the $10,000 buy-in event to take home nearly $1.4 million. That summer, Esfandiari won a WSOP bracelet in a Pot-Limit Hold'em event, becoming one of just a handful of players to win a WPT tournament and a WSOP bracelet in the same year.

In 2005, Esfandiari was third at the National Heads Up Poker Championship, finished third in WPT and WSOP Circuit events, and made his second WSOP final table. He has been a staple on televised poker events ever since, and a deep run in last year's WSOP Main Event (24th) continued to advance his credentials.

It's no surprise, then, that Victory Poker CEO Dan Fleyshman calls Esfandiari "The Face" of his new venture. And it's a title that's stuck to the 32-year-old poker pro.

"All the other pros on Team Victory have now literally started calling me 'Face,'" says Esfandiari. "I've had more airtime than anybody else, so we joke about it all the time."

While Esfandiari may be the face of the franchise, the real secret of the online room's early success is the man behind the scenes who signed him.

Fleyshman knew he needed something big to get Victory Poker off the ground. It turned out that something big lived in the same Las Vegas condominium complex he called home.

Fleyshman and Esfandiari have known each other for several years, dating back to a poker seminar that Fleyshman attended where Esfandiari was one of the teachers. Fleyshman, who lived in San Diego at the time, had built a business from the ground up starting in high school by getting a trademark on the phrase

"Who's Your Daddy?" He launched a Who's Your Daddy-branded clothing line that sold in Kohl's and Mervyn's, grossing more than $15 million in sales. At the seminar, Esfandiari learned that Fleyshman was the youngest CEO of a publicly traded company in America, and that bit of information stuck with him. Esfandiari visited Fleyshman during a trip to San Diego and the two became fast friends. Just over a year ago, Fleyshman relocated to Las Vegas and moved into the same condominium tower as Esfandiari. Last summer, Fleyshman approached Esfandiari to see if he would be interested in joining him in his online poker venture.

"I knew if I had him, with his charisma, he could convince the rest of the crew to sign on and it would give me the credibility to do a lot of other things within the poker world," says Fleyshman.

Esfandiari, who had previously promoted Ultimate Bet and the World Poker Tour's European-facing online poker room, was quick to agree.

"I think Dan's a great businessman, so of course I was interested," says Esfandiari. "To be part of something from its inception, from its beginning, felt like the right move. I didn't want to be one of the peons at Full Tilt or PokerStars. With Ultimate Bet I was one of three people, with World Poker Tour, I was the only guy, and if I was going to sign another deal, I wanted to be one of the main guys."

Once Esfandiari signed on, a cadre of his friends and fellow professionals joined him. Dan "Blitz" Bilzerian, Keith "KG" Gipson, Brian "TSARRAST" Rast, Andrew "good2cu" Robl and David "The Maven" Chicotsky joined the group, as did Wasicka, Lee Markholt, Alec Torelli and a handful of others professionals. Fleyshman also made some news in the poker press by signing 2007 Playboy Playmate of the Year Sara Jean Underwood to a sponsorship deal.

While assembling his team, Fleyshman was faced with his next big decision: selecting the online poker network that would host his players. Instead of choosing one of the industry's major players, Fleyshman opted for the Everleaf Poker Network, which then had an average of less than 100 cash game players at any given time. He moved to Malta, where Everleaf is based, to have direct access to the software developers so he could be in constant communication with them on what he needed to build his site.

"I chose Everleaf because the software developers had just won back-to-back in-

ternational awards for creativity and the owners were respected by many industry professionals," said Fleyshman. "I could have gone with an obvious choice, like the Cake Network, but I knew that with Everleaf I would be the premier site on the network and I would get a lot of help from the staff, since our success would have a direct impact on their success."

It was a decision that many in the poker affiliate community derided.

"Everlead [sic] has the worst player retention of any site I've ever worked with bar none," wrote leporello in the Poker Affiliate Listings forums. "Crap network, crap software, too many no-name skins being bought for $10 of which Victory Poker will just be another in a long line of fails. You can polish your shit and dress it in a tuxedo, but at the end of the day, it's still shit."

Victory Poker CEO Dan Fleyshman calls Esfandiari "The Face" of his new venture. And it's a title that's stuck to the 32-year-old poker pro.

Continued on page 44

"Look for me at the top!"

The GPWA Times goes one-on-one with Victory Poker pro and 2007 Playboy Playmate of the Year Sara Jean Underwood

Why did you decide to get involved with online poker? At first I thought it would be just a fun hobby to pick up, but the more I learned about poker and how to play the more I enjoyed it. In a way it has become my new obsession. Poker and especially online poker has become so popular these last few years, I wanted to see what all the fuss was about!

Why do you enjoy playing poker? I like playing poker for so many reasons. It's a great stress reliever. No matter what is going on in my life I know I can sit down at my computer and escape from it all and just concentrate and get lost in a poker tournament. It's also a great personal challenge that I have set for myself. Poker is mostly a male-dominated sport so I am determined to become a real contender at the table and show the men that women can do this too!

We heard you did pretty well in your first tournament. What was that experience like? Yeah, I got fourth place in the first live tournament I played in! At the time I didn't realize what a big deal that was. Now I know it's not so common to make it to a final table, even for some of the best players in the world, but because I was new to the whole poker world at the time I didn't realize what a great thing it was! Now I look back and I'm like, "How the hell did that happen?"

Do you think men play differently against you than they would against, say, a forty-something man with a baseball cap, beard and greasy T-shirt? I think guys definitely play differently against me, but the advantages I have being a young woman at a poker table are just as great as the disadvantages, so I think it evens itself out. Some guys like having me around, I think, simply because you spend so much time at that one table and it's nice to have someone of the opposite sex around, so they might be less likely to call me and just fold. But on the other hand guys also feel like they can push me around with big raises or reraises (which they can't), so being me definitely has its advantages and disadvantages at the poker table.

Is poker a sexy game? Poker is ABSOLUTELY a sexy game. There are so many young and attractive men dominating the poker world, and women too for that matter. Many professional poker players have the same lifestyle as rappers or professional athletes: lots of money, expensive and flashy cars and houses, beautiful women on their arms, and lots of endorsement deals. Poker is taking over!

What should people expect to see in the "search for the next Victory Poker pro" competition? This competition is going to be so much fun! People are going to get to see how these pros live and want to be a part of it. You are going to see everything—extreme challenges that test the contestants' physical and mental capacity, beautiful women everywhere, drama, breakdowns, players winning extreme amounts of money—almost anything you can think of!

Is there anything else we should know about you, poker and/or Victory Poker? Look for me at the top! It's not going to be today or tomorrow but I am putting in so much time and hard work, I am going to be up there with the best of them. You just wait and see!

Continued from page 41

Fleyshman was quick to respond.

"[Everleaf] was a very small network but since their merger with UPN network and the fact that I spent a zillion dollars in marketing so far, they are now directly behind BODOG and BETFAIR in size on PokerScout," Fleyshman wrote under the username vpCEO. "I'm committed to doing good things for the poker community and building a strong team of players which is up to 19 pros now. Once I get to work everything out with Jeremy [Enke], myself and the affiliate team look forward to working with [affiliates]."

The direct approach had an immediate impact on the impressions of affiliates.

"Victory Poker looks like a site that's run by poker players and I'm actually amazed at how rare that has become with new skins/sites that launch," wrote Trev. "Or maybe their marketing team is just that good that they sold me."

"I never thought I would consider promoting an Everleaf skin, but I'm getting more and more interested," Newjabber wrote.

Fleyshman's measured response is no accident; he understands just how big a role affiliates will play in Victory Poker's success or failure. The site offers 35 percent commissions, among the highest in the Internet poker market.

"Affiliates are the most important part of growing Victory," says Fleyshman. "The ad campaigns are great for branding, but affiliates are where the true conversions are at. When things work and affiliates really convert, them I'm willing to put in the money, time and effort to make everyone happy."

While Fleyshman knows where his bread is buttered in terms of affiliate relationships, he also knows that the affiliates need something to sell to their players, and he hasn't been shy about marketing the site. He offers players 40 percent rakeback, and he's signed one of the largest teams of pros for an online room since Full Tilt's launch, using the slogan "We Made It, We'll Show You How."

Lights . . . Camera . . . and off-the-wall Action!

One of the reasons Antonio Esfandiari has been so successful as a professional poker player is his friendship with fellow poker pro Phil "The Unabomber" Laak. Esfandiari famously enjoys a lavish lifestyle, and he enjoyed the finer things in life long before he had established himself as a successful player. Laak, who is six years older, saw the youngster going through his entire bankroll in a weekend, and helped him establish bankroll rules so he wouldn't go broke.

Their friendship has grown as the two have become successful on the tournament circuit, and they have often worked together on projects. Most notably, the two taped a show titled "I Bet You," where they walked around and made prop bets from a few hundred to several thousand dollars on everything under the sun, like who would get more tips as a bartender, who would be a better basketball coach, and what type of underwear a woman on the street was wearing (yes, they really asked a woman that question, and yes, she really answered).

"I would never go up to a woman and ask her that without cameras," Esfandiari says. "But if the camera's on me, I can do anything."

The show aired for two seasons on MOJO, but the network folded in 2008. (You can see entire episodes on Esfandiari's Web site, magicantonio.com.) Esfandiari and Laak filmed three seasons of the show, and are currently shopping for a network to air the third season.

"It was just so much fun to walk around and mess with people, bet on random stuff, hang out with your buddy all day and have people record it," says Esfandiari. "I really miss 'I Bet You.'"

While they are no longer filming the show, the two remain good friends. Before Esfandiari signed on with Victory Poker, he almost partnered with Laak to sponsor the online poker room Unabomber Poker on the Cake Network, but they ultimately decided to work independently in the online poker market. And while the two have been known to bet on everything under the sun, Esfandiari insists that there's no prop bet on which room will ultimately be more successful. But maybe that's just because they hadn't thought of it yet.

– Aaron Todd

VICTORY
POKER.NET

Dan "Blitz" Bilzerian

A two-minute video showing Esfandiari being shot by a 22-caliber pistol while wearing a bulletproof vest in Blitz Bilzerian's condominium in Las Vegas is on the VictoryPoker.net Web site.

And Fleyshman isn't just using the slogan as marketing fodder; he's putting his money where his mouth is. Victory Poker just started a $100,000 promotion that will award the winner tournament buy-ins, cash, a car, clothes and a condo on the Las Vegas Strip for one year. The contest was launched with a slick online video, and 25 people who upload one-minute videos making a case for their inclusion in the contest will be selected as finalists.

"I want to market the fun, the emotions and the aspirations involved in poker," says Fleyshman. "I'm taking a 'lifestyle' marketing approach because these are our real lives."

The competition will be taped and is being pitched to television networks. Fleyshman admits that there's no guarantee that it will be picked up, but with Victory Poker putting up the money and the talent, it should be attractive to network executives. And just in case he is unable to find a televised home for the contest, Fleyshman will have an in-house production team film everything so that it can be released either as a DVD or on the Internet.

Victory Poker has already made its presence known with videos on the Internet. In addition to the five-minute, 39-second video produced to introduce the Victory Poker Pro promotion, a two-minute video showing Esfandiari being shot by a 22-caliber pistol while wearing a bulletproof vest in Bilzerian's condominium in Las Vegas is on the VictoryPoker.net Web site.

"Blitz is a maniac," says Esfandiari. "He was shooting this bulletproof vest on the ground in his condo with a gun. And I'm like, 'So if I wore it, you could shoot me?' He was all over it. It was a pretty intense rush for me. I liked it; I don't think I'd do it again, but anything for Victory, you know?"

In addition to brief Web video spots, Esfandiari has managed to find other ways to promote Victory Poker. He will appear on the season premier of HBO's "Entourage" this summer with Torelli.

"It's not like I have a real role," Esfandiari says. "I'm just sitting at a poker table. You're going to see my head for like four seconds. I have a line, but I don't think it will make the cut. Nick Cassavetes, a famous director who is also a good buddy of mine, is at the poker table while Jeremy Piven comes up and they get in this argument and they walk away, and I'm just hanging out next to Nick, playing poker."

While Esfandiari may try to minimize his role, he and Torelli did wear their Victory Poker patches during the filming of a scene that millions of people will see either when the show premiers or down the road in repeated airings. When asked how he was able to convince the producers to let them wear the patches, Esfandiari responded, "'The Face' has special powers, you know?"

Despite exciting promotions, rapid growth and a great deal of buzz its first few months, Victory Poker still has a long way to go to compete with the big boys in the Internet poker industry. But that doesn't faze Fleyshman, who has already built one company from the ground up and is looking for another success story, all before his 30th birthday.

"My goal is to become one of the top-10 online poker sites," says Fleyshman. "But I'm not expecting to become the next Full Tilt or PokerStars. It's amazing how many players have been registering every day from all over the world. I will keep signing new pros and keep doing new affiliate and marketing deals because I'm positive that we are going to reach that goal. We've been growing much quicker than I expected and there's still so much more to come."

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SENSE AND SENSIBILITY – AND SEO

Four wild, wacky webmasters who party down at least three or four times a week? Not this time. These interviewees are a sensible bunch and have many fine traits in common, most notably their top-notch organizational skills, appreciation for the importance of SEO and highly disciplined approach to dealing with e-mail!

As usual, they are a geographically diverse group, taking time out from their busy lives in the U.K., USA, Italy and the Netherlands to share their observations and insights with us.

We're sure you'll enjoy meeting this quality quartet, and we guarantee you'll also learn a thing or two about how to survive and thrive in online gaming as you read their stories.

*Due to space constraints, we could not print the interviews in their entirety. The complete text will be posted at gpwa.org.

Mark | KasinoKing

In Hastings, doing your homework is half the battle!

How long have you been working in the industry? What first drew you to it? I've worked in the industry for four years. As a player, I couldn't find any sites which gave the information I personally wanted to see, so I created my own.

What do you like about it? What don't you like? I like working from home with totally flexible hours, and being my own boss. I don't like rogue casinos and affiliate programs ripping people off.

What surprised you most about the industry? Microgaming withdrawing from the USA and not finding a way to work around it.

Which of your five sites is the biggest money earner? www.KasinoKing.co.uk.

To what do you attribute this? It's much bigger and has more info than the others – therefore it gets LOADS more visitors.

Are you a full-time online gambling affiliate, or do you hold down another job as well? I was only part-time for the first two years (had an 8-5 day job), but when my daughter was born in 2008 I became a "house husband" and "full-time" affiliate while my wife still goes to work.

We keep hearing that economic conditions are improving and player traffic is increasing. How do your earnings for the first quarter of 2010 compare to the same quarter a year ago and to the final quarter of 2009? 2010 Q1 was 16 percent down compared to 2009 Q1, but 36 percent up from 2009 Q4.

How do your family and friends feel about how you make your living? Delighted and probably a bit jealous!

You posted recently that you like to gamble online and that Ladbrokes is your casino of choice. What is it that you like about Ladbrokes? The best thing about Ladbrokes WAS their very generous Daily, Weekly and Monthly +EV bonuses from which I won literally £1,000s over the last 2+ years. I say WAS because in recent months they have made the wagering on their bonuses much worse for the player and many are no longer worth doing.

What exactly is a "Bonus Bandit" and why do you characterize yourself as one? Just seemed like a good alternative name to Bonus Hunter! I enjoy taking the more generous bonuses and trying to beat the casino by making a decent profit. Nearly all of my deposits are made to claim a bonus.

You have strong feelings about programs that have negative carryover. Why do you feel affiliates should stay away from programs with NCO? I can understand the casino's point of view and why they have NCO, but why would anyone want to work with that millstone round their neck when about 95 percent of programs don't have it? I have had several programs where I earned nothing for six, nine, 12 and even 18 months straight despite player activity, just because one player had a lucky big win. It may be okay for the big affiliates who bring in hundreds of players – but it's a nightmare for small ones like myself.

What did you do before you joined the online gaming industry? And just how different is what you're doing right now? I was always an "office pleb" doing the 8-5, sitting at a desk in an office. Started as a Draughtsman, then Purchasing, Materials Control, Purchasing again and finally Production Control. I still sit at a desk in front of a PC – but now I'm doing what I want and really enjoy doing rather than what someone else tells me to do.

How long do you give yourself for responding to e-mail? And what e-mail management tips can you offer? If a player contacts me I usually reply immediately – within 24 hours max. For

Age: Old! (49 if you must publish it)

Hometown: Worthing, Sussex, U.K.

Currently residing in: Hastings, Sussex, U.K.

Favorite food: Pizza

One book everyone must read: *The Day of the Triffids*, by John Wyndham

Sites: KasinoKing.co.uk, SlotBeaters.com, RivalGamingSlots.com, usaOKcasinos.com, ArcadeSlotsOnline.com

other matters I admit I am pretty useless! I get something like 25 e-mails per day – I delete the crap and keep the ones which need attention – but often get "distracted" and forget about them for weeks, or even months! My advice to others is don't be like me!

How do you manage your "to-do" lists? Do you use any special software to help you out? I use a little program called "Cute Reminder," which pops up little unobtrusive message boxes on the right of my screen. However, I do tend to keep putting jobs off and so they build up & up until I may have about 20 reminders pop up at once! I'm nowhere near as organized as I should be.

Time management is one of the biggest issues facing affiliates. What time management tips can you offer your fellow webmasters? Don't put off ANY job unless you really have to – or you'll end up as disorganized as I am!

You indicate in your GPWA profile that you wish you could earn a living gambling. If you were earning a living gambling, what would you be betting on? I don't really know – probably sports and horse racing. It would be very nice if there really were a way to beat roulette, too!

Who do you think is going to win the World Cup this summer? England! (I'm a hopeless optimist.) Once, just for once, they are going to play to their full potential.

If you could sit down to dinner with any five people, living or dead, who would they be, and why?

1. My dad (died in 2008) – because I never really talked to him enough before it was too late.
2. My former brother-in-law (died in 2001, aged 40) – just because I miss him a lot.
3. Freddie Mercury – his songs meant SO much to me in my late teens/early twenties.
4. Alan Shearer – living legend – and
5. my wife – would not want to go to dinner without her.

When you need to get as far away from work as possible, where do you go? To the golf course!

For people not living by the sea, tell them what they're missing. It's just so nice to be able to walk out of my front door and be on the sea-front in 5 minutes. You can sit on a sea-front bench and look out to nothing but water and sky and forget about all your troubles and strife. It feels like you are in the middle of nowhere and is just so relaxing.

If you had to pick five keys to success as an affiliate, what would they be, and why?

1. Be a player first. Would you recommend a restaurant to someone if you hadn't dined there yourself first?
2. Listen and learn from existing affiliates. No one can just jump straight in without some sort of guidance.
3. Do your homework on the sites you are thinking about promoting. There are many rogue casinos and affiliate programs out there – avoid at all costs.
4. Be patient. Rome was not built in a day, and nor was any affiliate's site. Expect it to take at least a year before your hard work is rewarded.
5. Be honest with the content of your site. Don't try to make something sound better than it really is – most players are pretty intelligent and will not be fooled by BS.

If you were "stuck" in a city due to travel restrictions, would you do everything possible to get home? Or would you take some time to go exploring? Do some exploring – looking for a fruit machine in the nearest pub!

Teo | casino2k.com

"When you find the GPWA, you're in the right place."

How long have you been working in the industry? More than two years. I started the day after Christmas 2007.

What first drew you to the business? Like every student without a full-time job, I needed some "easy money." I looked for a good roulette strategy to win in online casinos and I found a Web site explaining how to win thousands of dollars per day, 100 percent guaranteed. I won about $500 in two hours, then I lost $200 in one second. I thought something was wrong with that strategy, and after a few hours I figured out this scammer was using the "Martingale" betting system just to earn commissions from players' losses. That's how I discovered the affiliate world. I decided to make this world better.

What do you like about the industry? I like gambling; it's easy to develop and write about something you like. The competition is now in SEO; I'm a professional SEO consultant and I have an advantage over some of the other affiliates. Last but not least, gaming conferences are great; you get to know hundreds of people and you visit cool cities.

What don't you like? I don't like the unethical methods a lot of "webmasters" use to get high positions in search engine results and to earn money. In an ideal world, such persons shouldn't exist.

What surprised you most? The number of online casinos opened over the last two years. Every day I receive e-mails from new operators to promote their brands. I've been also surprised by the level of competition in this market.

What is the current status of Italian efforts to regulate offshore online gaming? What is the latest information you have? The Italian government is regulating online gaming sites for "fair gaming" purposes. They started with poker and sportsbooks, and now they're also planning to regulate bingo and casinos. I'm not aware of any official timeline, but some say they will sell licenses starting in September. It seems they will sell licenses for hundreds of thousands of euros and will tax affiliates and operators. I don't think they care very much about fair gaming, but I hope regulation will clarify all the problems for Italian affiliates.

What prompted you to join the GPWA, and how has it helped you so far? After the roulette scam, I learned I couldn't trust everyone. So I looked for information about an affiliate program I was starting to work with and I found the GPWA. At first the GPWA helped me to choose which affiliate programs to trust. Then I started participating in the forums and I discovered how big and complex this industry is. GPWA and private forums helped me to improve my marketing skills and, best of all, to get to know some very good webmasters and make some very good friends. To summarize in a sentence: When you find the GPWA, you're in the right place.

What keywords do you find are bringing people to your site? What kind of work did you do to boost casino2k's popularity in search engines? Until September 2009 my Web sites had a lot of visitors from keywords like "free bonuses," "free games," etc. Tons of visitors, no earnings. Since October 2009 my rankings have been boosted for the most competitive keywords like "online casino," "casino bonus," "games strategies," etc. More visitors, higher conversion rates, visitors participating in discussion boards and spending hours on the Web site. I focused on SEO and decided to update my Web site every day. I think Google has flagged casino2k as an authority Web site and my rankings (and earnings) have suddenly improved.

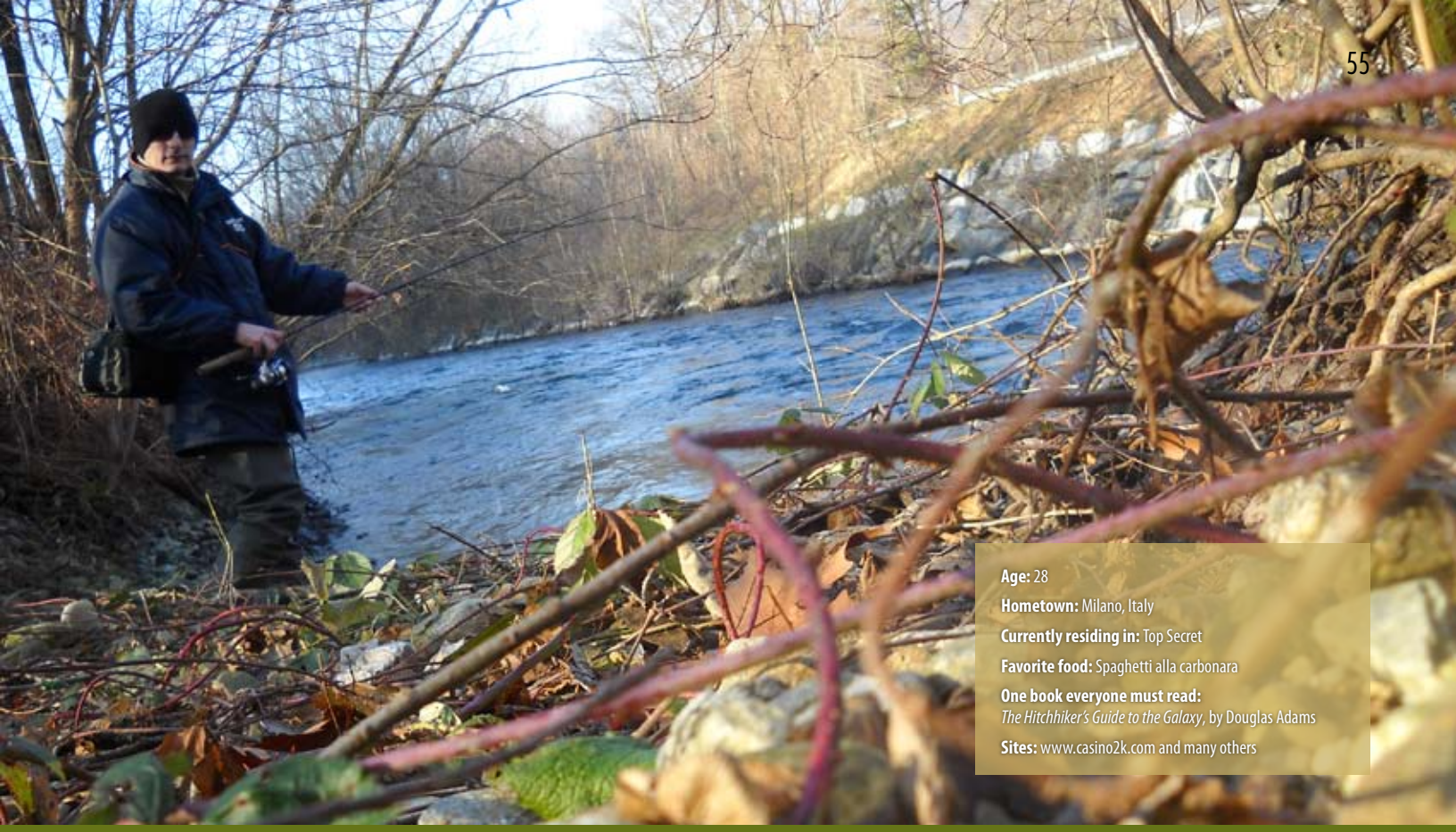
One of your employees (Casino2k.Member) was recently approved as a GPWA member. On his membership application he indicated that his name was "John Luke" but he introduced himself as "Stefano" on the message boards. Can you clarify this situation for everyone? His name is not John Luke; he's called Stefano. He presented himself with another name for anonymity because of the unclear law regulating online gaming in Italy.

How do your family and friends feel about how you make your living? My family is not aware I own gambling Web sites. Only a few people know about my life as an affiliate and they have no problems with that because they know I talk about gambling in an ethical way.

Your GPWA profile lists you as a student. Are you still attending university? If so, do you plan to stay in the affiliate business once you are finished? I missed a few exams needed to graduate, but I'm spending 99 percent of the time working so it's difficult to complete them. I've also opened an SEO agency because I feel the affiliate world is very unstable; your earnings could suddenly drop. Anyway, I'll try to go on with both projects and, hopefully, I'll graduate too at some point!

How long do you give yourself for responding to e-mail? And what e-mail management tips can you offer? I check my e-mail every five minutes, but I respond immediately only to urgent e-mail. Nonimportant e-mail is put on my to-do list. Don't waste time replying to spam link exchange e-mail or to affiliate operators you don't want to work with. Don't waste time with webmail: configure e-mail clients like Thunderbird to manage all your e-mail accounts.

How do you manage your "to-do" lists? Do you use any special software to help you out? I started with a plain text to-do list using a simple text editor, then it suddenly reached about 100 entries and I decided to give up. Now I use a simple tool for Linux (yeah, I'm a Linux geek) called GToDo. It helps a lot with managing



Age: 28
Hometown: Milano, Italy
Currently residing in: Top Secret
Favorite food: Spaghetti alla carbonara
One book everyone must read: *The Hitchhiker's Guide to the Galaxy*, by Douglas Adams
Sites: www.casino2k.com and many others

tasks, priorities, timelines and it notifies you when the task is due. Using a good to-do list software application helps a lot in improving productivity.

Who do you think is going to win the World Cup this summer? And why? I bet € 100 on Italy because I hope it happens, and because the odds are really interesting. England has a good chance of winning; they're very strong and they have one of the best and smartest football managers: Fabio Capello.

If you could sit down to dinner with any five people, living or dead, who would they be, and why? I'd love to have a dinner with five fantastic girls, preferably alive...just kidding lol. It would be interesting having a dinner with Nicole Kidman, just to check if she is as cute as I've always seen in her movies; Gianni Agnelli, to talk about business and make money with him; Plato, because you can't avoid talking about philosophy with a glass of wine; Roberto Baggio, because he has been one of the greatest soccer players in the world; and Michael Schumacher, just for driving me home after dinner.

When you need to get as far away from work as possible, where do you go? I go fishing in small mountain creeks: nobody around, no noise, just the sounds of nature.

If you had to pick five keys to success as an affiliate, what would they be, and why?

1. Do not copy; always write original and useful content so your visitors will read it and spend time on the Web site. Then they will definitely come back and trust you.
2. Love your job, understand the gambling world, play and understand the games, do it for fun and with passion and you will achieve great results.
3. Never give up when confronted with problems and loss of positions in search results, traffic and earnings; try to understand the problems and fix them. Only by facing up to problems can you learn and improve your skills.
4. Analyze details. Never be satisfied with what you have done. Study and analyze everything on your Web site: taking care of details can be crucial to success.
5. Outsource time-consuming tasks with low value, and also look for good copywriters and organize their work.

If you were starring in a movie, who would you want to play your romantic interest? The movie would be "Titanic," and for sure I'd perform better than Leonardo DiCaprio. Who would I want with me? It depends on how the dinner with Nicole Kidman turns out....

If you were "stuck" in a city due to travel restrictions, would you be the person who did everything humanly possible to get back home? Or would you be the person who took some time to go exploring and smell the flowers? I love traveling around and I love adventures. Once when I was in Venice with my girlfriend there was a strike. We couldn't find a cheap hotel so we slept for two nights in a churchyard. So romantic—except for the rats swimming in the Grand Canal and eating everything they could find!

What are three things that nobody knows about you?

1. I'm an affiliate.
2. I never wake up before 11:30 a.m.
3. I've watched an Italian soap opera for years. What a shame that only females admit to watching it!

Bjorn Bos | Madnesz

Forget about casinos – forex is where it's at!

How long have you been working in the industry? I started in the casino affiliate industry about four years ago. At the time I was doing very well in online poker, and spent quite a bit of time at a Dutch poker forum. When I found out that the owners of such Web sites were the biggest winners of the emerging poker hype, I got very interested in this money-making possibility and started to make plans for affiliate sites.

What do you like about the industry? The very strong correlation between effort and reward. The more time you put into your Web sites, the bigger the rewards. Plus the freedom to choose location and time to do your work.

What don't you like about the industry? The unregulated environment. Because of this, the casino operators still have ultimate power over their players. I've seen the most ridiculous terms and conditions that do nothing but make the player completely powerless in the case of any disputes. Also, most players cannot go to their local court to fight an operator's decision, since the practice of online gambling is illegal in many countries.

What surprised you most about the industry? How well organized and close this industry really is. Most people are willing to help each other, and a lot of knowledge is shared freely among the affiliates. The conferences are always a good place to meet interesting people.

You have four sites dedicated to backgammon and one that provides information on bonus offers for casino games. Why so many backgammon sites? And where does tommydanger fit into all of this? During the poker boom, there was a lot of buzz that backgammon could become the next big thing. I decided that I wanted to be one of the first backgammon affiliates, so that if it really became as big as poker, I would be in the front row. After a while, it became clear that backgammon did not have a lot of growth potential and I started to develop other Web sites. At first, I created some poker and casino subpages at the backgammon Web site. Then I started working together with tommydanger (Luuk Noordhoff), who is a good friend of mine from university, and we developed a casino Web site. After that, I started working on forex-related Web sites.

Dutch is your native language, yet you operate English- and German-language sites (in addition to a Dutch-language site). How difficult is it to work on the non-Dutch sites? Most of my Web sites are in English. Since I've studied in English my whole life, and since I spent four months in South Africa, I am quite familiar with the language. I can understand German when reading, but I'm not able to write it. For this I use freelancers.

You also operate a forex site and a crude oil site. How are these sites performing for you? I got in touch with the forex market at one of the casino conferences and got enthusiastic to start a financial site. I now have seen the tremendous player value in this industry, which is even bigger than the casino industry. These Web sites currently bring in most of the revenue for me.

What prompted you to join the GPWA, and how has it helped you so far? The amount of knowledge available at the forums. Unfortunately, I still lack the time to get actively involved in this community, but I hope this will change when I graduate at the end of this year.

You've said that attending CAC Amsterdam in 2007 increased your enthusiasm for the industry. How did that conference get you excited about being an affiliate? Have you attended any conferences since then? I've visited CAC three times, and have attended both CAP Barcelona and CAP Amsterdam one time. They always are a great source of SEO knowledge and the perfect place to get face time with your affiliate manager. I also have to admit that the parties account for a lot of the excitement!

How do your family and friends feel about how you make your living? They are happy for me that I manage to earn a nice extra buck during my time as a student, and that I can do the work I like instead of some shitty job at the gas station.

A couple of years ago (July 2008) you posted that you believed that "the online gambling market could die pretty soon." Do you still feel that way? The closure of the U.S. market was a huge surprise to many and we were pretty powerless. Fortunately there still was the EU market that we all could turn to, but there are no guarantees that this will always be so. If the EU decided to put an end to online gambling in the same way the U.S. did, the market will be pretty dead. The opposite can happen just as easily if the U.S. opens its doors again, but no one can predict what will really happen.

Time management is one of the biggest issues facing affiliates. What time management tips can you offer your fellow webmasters? And what are you studying at university? I am studying industrial engineering and management. I expect to graduate at the end of this year, which will open up a lot of time for me. Time management can be really simple: just make effective use of your resources. Don't forget that you can outsource almost anything to free up some time.

How long do you give yourself for responding to e-mail? And what e-mail management tips can you offer? Don't forget that at least 80 percent of the messages in your inbox are nothing but time consumers. Choose to spend time on them wisely. How much e-mail do you receive from new online casinos that say they have the highest conversion, and that they want to work together with you? Or automated e-mail from webmasters who want to exchange links? Although it is polite to answer each one of them, most are just time consuming and can easily be ignored.

Age: 25

Hometown: Amsterdam, the Netherlands

Currently residing in: Amsterdam

Favorite food: Tortellini

One book everyone must read: *The 4-Hour Workweek*, by Timothy Ferriss

Sites: casinobonusking.com, backgammoninfo.net, tradecrudeoil.net, forexcurrency.org

How do you manage your "to-do" lists? Do you use any special software to help you out? No. I am pretty chaotic in my way of working. I prefer to work from a list of work in my head, instead of written-down "to-do" lists. The great advantage about this way of working is that your mind automatically prioritizes things. The first "to-do" your mind is thinking of is often the most important one.

Who do you think is going to win the World Cup this summer? And why? Definitely Holland. It is about time we become world champion! We often play the best football during the tourney, but always forget to take home the cup. Hopefully things will be different this year.

If you could sit down to dinner with any five people, living or dead, who would they be, and why? Richard Branson is one of my heroes. His autobiography *Losing My Virginity* tells the whole story about this self-made man, and shows the possibility to both have great success in business and have lots of fun meanwhile. During my internship in South Africa I learned a lot about the great accomplishments of Nelson Mandela, and what an amazing person he is, so I would definitely add him to the dinner table. I also would love to have some words with President Obama, so he will be invited as well. The remaining spots I would fill with Charles Darwin to hear about his great adventures, and Jim Morrison from The Doors because I love his music.

When you need to get as far away from work as possible, where do you go? Never really thought about this question. I think the best way to forget about work and clear my mind for a moment is to do sports. I like to play tennis, football or squash; this is a great way to relax.

If you had to pick five keys to success as an affiliate, what would they be, and why?

1. Creativity. Don't just copy; think about new ways to attract an audience. If you get a great idea that is genuinely different from the rest, you could be sitting on a pot of gold.
2. Dedication. Especially for new affiliates, be prepared to work hard for it until things start to come together.
3. Get involved. Spend some time at communities such as the GPWA. Every minute you put in will be returned times two. Also try to attend a conference every now and then.
4. SEO knowledge. After all, we all try to rank number one in Google.
5. Persistence. Don't give up when things do not seem to turn your way.

Janet Brockert | Redbush54

"Always stay positive regardless of how bad things may seem."

How long have you been working in the industry? What drew you to the business? I've been in the industry for almost two years. I found it interesting and liked the possibility that I could work from home.

What surprised you most about the industry? I don't know how programs such as Grand Privé can say, "We don't want you anymore" and close affiliate programs. Plus the cheating that casinos, etc., do by manipulating payout percentages.

What did you do before you joined the online gaming industry? For 20 years I managed a bowling center. I finally decided that 70- to 80-hour work weeks weren't for me. I took about a month off and went to work for a hospital in food service. In October 2009 I quit that and went to work full-time at GamTrak.

How long do you give yourself for responding to e-mail? And what e-mail management tips can you offer? Since I'm the point of call for GamTrak I try not to let it get too full. Sometimes it can get a little overwhelming but I usually make myself sit down and don't get up until everything has been taken care of.

How do you manage your "to-do" lists? Do you use any special software to help you out? Paper and pencil is the best I can do and hope I don't lose the paper.

How much time does it take to keep your sites updated? Since I do the forum I feel like it's never updated. When I first started with GamTrak I thought we needed to promote everybody and begged Robin to let me sign us up. Now I'm paying for it.

What prompted you to join the GPWA, and how has it helped you so far? Robin encouraged me to join the forums to learn. I really am a shy person and prefer to remain silent but I have found GPWA members to be very helpful when I've asked questions. Plus I learn a lot about the industry just by reading the new posts daily.

You've been working with Robin at GamTrak for a year and a half. How is she to work with? Don't be afraid to tell us the truth. She probably won't even see this! At first she had to be very patient because I knew nothing. I would ask her over and over how to do something, and each time she would patiently answer. Now I feel like I've grown enough that I can usually handle something without even consulting with her.

Has your husband given in yet regarding the "3MTA3" personalized plate for your Chevy Cobalt? And what does "3MTA3" mean? No, and all I'm going to say is write that word down on a piece of paper and then go hold it up in front of a mirror and read what it says.

If you could sit down to dinner with any five people, living or dead, who would they be, and why? Oprah, Celine Dion, Alicia Keys, Reba McEntire and Whoopi Goldberg. I believe these women in their lives have been to the bottom and risen to the top.

If you had to pick five keys to success as an affiliate, what would they be, and why?

1. Always stay positive, regardless of how bad things may seem.
2. Be honest. I have always told the truth even when it got me into trouble.
3. You've got to have goals.
4. Find what you need to do the job and make it something you're proud of.
5. Be committed. If you're not 110 percent committed then it isn't going to work and you might as well not even start.

What's your favorite movie? "Sister Act" or "Ghost."

Age: 55
Hometown: Basehor, Kansas
Currently residing in: Leavenworth, Kansas
Favorite food: Steak
One book everyone must read: Anything by Robin Cook
Sites: gamtrak.com, gamtrak.com/GamTrakForum

If you were starring in a movie, who would you want to play your romantic interest? Patrick Swayze.

If you were "stuck" in a city due to travel restrictions, would you be the person who did everything humanly possible to get back home? Or would you be the person who took some time to go exploring and smell the flowers? Oh no – I have got to get home!!!!

What are three things that nobody knows about you?

1. I'm obsessive compulsive.
2. I'm a perfectionist but haven't quite gotten there yet.
3. Hubby and I are preparing to sell everything and travel the U.S. via motorhome.

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Wall of Shame

APCW

by J. Todd,
Executive Director, APCW

If you know anything about American sports, you know that baseball is often called America's pastime. But the true passion of most sports fans in the United States is American football, specifically the National Football League.

The NFL makes millions of dollars every year. Sure, some of that money comes from ticket revenues, concession sales and merchandising. But the bulk of that money comes from TV contracts. Lots of people watch NFL games. Some are watching because their favorite team is playing. But there's also a huge group of people watching because they've got money riding on the outcome.

More money changes hands (from fantasy leagues, three-team parlays and traditional old straight wagers) based on the results of NFL contests than any other league in the United States. More than $90 million is wagered on the Super Bowl—just one game—every year.

You would think that the NFL would welcome a regulated sports betting environment to ensure the integrity of its contests. This is a league, after all, that started producing injury reports so that Las Vegas sports books could produce an accurate line for each game. But no, these hypocritical jackasses have done everything in their power to block the expansion of regulated sports betting. The NFL has led the professional sports leagues' crusade against online sports books, and now, they've succeeded in blocking Delaware from allowing single-game wagering on sports.

You see, Delaware is one of just four states where sports betting isn't illegal. Under a 1992 law, states can allow sports betting if they did so between 1976 and 1990 (only Delaware, Nevada, Oregon and Montana did so). Delaware offered parlay bets on sports in 1976, and the state's governor, Jack Markell, decided to open up sports betting to raise revenue and close a budget gap last year.

Surprise, surprise, the NFL and the rest of the professional sports leagues cried foul. They sought an injunction to stop the state, and when they lost, they cried all the way to the Third Circuit Court of Appeals in Philadelphia, where they won an injunction to stop single-game wagering. (The court did listen to some reason; parlay betting was allowed as the court ruled that Delaware could resume the same betting scheme it had in 1976.)

Delaware appealed to the Supreme Court, but in early May, the court announced that it was siding with the NFL and the rest of the frauds who are raking in the profits from the interest gambling creates in their games, but decrying the practice as "tainting the game."

So congratulations, NFL. Your shameless contradictory stance on sports betting wins you a spot on the Wall of Shame. No doubt your love of money would have you looking to sign an exclusive endorsement deal with an online sports book if the federal government ever decided to regulate the industry.

PREVIOUS INDUCTEES:

John Kyl

The junior senator from Arizona's support of the UIGEA would be worthy of a Wall of Shame nomination on its own merits. But Kyl's appearance on the Wall of Shame didn't actually occur until he put a hold on several Treasury Department nominees in retaliation for the Obama administration's decision to delay implementation of the law, putting his own selfish political concerns ahead of the needs of the country.

Grand Prive Casino Group

Talk about larceny. This group deserves jeers after shutting down its affiliate program and eliminating affiliate commissions back in 2008 while keeping its online casinos open for business. Efforts were made by the GPWA and others to work with Grand Prive and get it to make good on its non-payments to affiliates, but nothing has worked as of yet.

Russ Hamilton

The former World Series of Poker Main Event champ allegedly profited big time from the "superuser" scandal at UltimateBet. That scandal, chronicled by the TV newsmagazine "60 Minutes," allowed certain users to see the hole cards of players at the table. And it gave online poker a black eye when it least needed one.

Steve Beshear

The governor of Kentucky decided he could play moralist for the world when he tried to seize 141 online gambling domains because they were "illegal gambling devices." Apparently, as long as his precious Kentuckians were protected from the "evils" of online gambling, he didn't care that the millions of people out there who wanted to enjoy a legal pastime without interference might be unable to access their accounts and games.

Spencer Bachus

The reflexively anti-online gambling Congressman from Alabama said in a hearing this year that "McGill University found that one-third of college students who gamble on the Internet ultimately attempted suicide." Err, one problem, Congressman. "This assertion, which is reportedly based upon our empirical research, is not predicated upon any factual evidence," said McGill gambling and addiction researcher Jeffrey L. Derevensky.

Christel Schaldemose

This Danish European Parliament member is chiefly responsible for the European Parliament voting — yes it was non-binding, but still — 544-36 in favor of a report that would block the formation of a single market for online gambling in the EU. Almost as bad as the vote was the rampant hypocrisy that ran through the bill. Betting on sports was really bad, unless you did it through a government-run monopoly so the state could get the revenue, in case it was really good. Sheesh. Make up your mind.

Steven Conroy

The Minister for Broadband, Communications and the Digital Economy in Australia compiled a list of "black list" Web sites last year that the country's ISPs would be required to block from its residents. The list was supposed to be filled with sites related to child porn, child abuse, rape and bestiality, but when it was leaked it also included the home pages of dating services, medical practitioners, private companies and – you guessed it – at least 13 poker sites, including Full Tilt, PokerStars and Absolute Poker.

John Kindt

Kindt, a professor at the University of Illinois, was quoted last year with a number of attacks on the gambling industry, including statements such as "widespread gambling gambles with our national security by dragging down our national economic security" and "(online gambling) would set us up for something worse than the sub-prime mortgage disaster."

Southern District of New York

In June of 2009, the SDNY ordered the seizure of $33 million from two payment processors, including Account Services. Then it indicted Douglas Rennick on conspiracy charges for bank fraud, money laundering and operating an illegal gambling business for allegedly processing payments for online casinos and poker rooms with Account Services.

Nick Xenophon

At a December 2009 public hearing held by the Productivity Commission in Sydney to discuss the state of gambling in Australia, MP Xenophon said that Australian players who drain their accounts when playing at "illegal online gambling sites" should have the "right" to ask their bank to void their financial transactions.

MEET THE AFFILIATE MANAGERS

This issue's interviewees care deeply about our industry and are doing their bit to make it work better for all of us. AffiliateWIDE's Steve Rubin wants to weed out all the "nitwits." Sarah Psaila of betsafe hopes to see a change in the negative feelings certain countries have about online gaming. Industry veteran Aaron O'Sullivan from Jackpot Games is obsessed with finding better ways to identify and eliminate spammers – and he also owns a castle.

Should you be doing business with any of these people? After you read what they have to say, we think you'll be ready to give it a go!

STEVE RUBIN | AffiliateWIDE

AffiliateWIDE represents two brands – Black Diamond Casino and Box 24 Casino. Both brands are standalone casinos. What are the advantages of promoting standalone casinos for affiliates? What challenges do you face in not offering poker, sportsbooks and bingo, like some other brands do? In an industry with so many different markets and targeted traffic, it only makes sense that both affiliates and operators attempt to conquer a particular niche before taking on too many directions at once. I have never been an affiliate – nor do I plan to jump down that road – however, with all the people competing for traffic, making yourself established within one target market is definitely the best way, professionally speaking, to prepare yourself for the long run as you will then be more adept in the future at approaching a new sector within this business.

> "I would love to have affiliates, players and operators keeping each other informed so nothing slips through the cracks. It would also be great if the nitwits in this business would stop making all of our lives more difficult."

In terms of challenges facing us, I look at it as the exact opposite, really. By not focusing on poker or sports betting, we have been able to go full speed into the casino market without having to set unrealistic goals for ourselves. AffiliateWIDE is a family-sized operation with all the tools and expertise to position itself as a prime choice for casino traffic and we are in this for the long haul. Should the time be right to delve into other projects, we will not miss that opportunity. For now, though, we have a set goal before we can move on to the next phase.

What distinguishes your two casinos from other casinos in the market? What makes them different and unique in comparison to other casinos powered by Rival software? I think Box24 and Black Diamond stand out in particular due to the way in which the ownership plays such an active role in both player communication and satisfaction. The owner of these brands has a 24-hour role in what is happening from the top down in terms of his staff making sure players are never getting the short end of the stick. The word "vacation" is not a part of his vocabulary, and as a result I think the players can feel the hands-on role of the operator himself.

AffiliateWIDE's brands run everything completely in house: support, processing, retention, etc. Up to date, we are the LARGEST, NON WHITE LABEL, Rival-powered group. As an affiliate it only seems logical to promote this type of program – assuming the affiliate focuses on the type of traffic to which we cater. Once we launch Spartan Slots Casino, there will be no question about the direction in which we are headed and how we should effectively be able to monopolize the Rival market.

Earlier this year, Rival decided to charge affiliates when their players played progressives and pass on losses from MasterCard processing issues to affiliates. But AffiliateWIDE announced Box 24 would absorb the MasterCard charges and NOT charge affiliates for progressive play. Why did you make these decisions? Why were you able to split with Rival here? And why did you choose to move Black Diamond to Rival? Eating the MasterCard charges was an easy decision even though it was a huge financial loss to the company. However, this is something we had prepared for awhile back, knowing that something like this is never too far away. Simply put, there is no reason for affiliates to get shafted for business established between the processing companies and the operators. That would be like employees of AffiliateWIDE having to chip in some of their wages because of damages to Wael's [the casino owner's] car! This along with the decision not to charge for progressive play was a no brainer, and Rival knows that we are completely in control of all of our own company matters, except when it comes to issues regarding the software itself. Rival allows operators to set their own business terms and structure; so for us, it makes sense to handle the pro-

Due to space constraints, we could not print the interview in its entirety. The complete text will be posted at gpwa.org.

other leading software providers in the industry. The decision to move to Rival was a simple one. Based on our reputation within the Rival community and the future we saw to really exploit that market, we figured having a completely Rival based program with multiple brands would allow us to compete better with the biggest RTG and Vegas Tech affiliate programs. Within the U.S. market especially, players are still waiting for a prime casino group offering another strong option besides the RTG and Vegas Tech groups that have been in the market for years.

What are three things every affiliate needs to know about AffiliateWIDE?

1. We are in this for years to come, and going about business in only the most ethical manner is the way to ensure this future.
2. Affiliates are ALWAYS paid on the first of each month.
3. You will earn with AffiliateWIDE – whether you want to or not!

What do you think the three greatest challenges facing the industry are right now? And what would you do to solve them? Obviously, across the industry, the long arms of various governments are always complicating matters and this has a HUGE range of effects, the least of which is the ability for players to even have a chance at getting their deposits through. On the other side, we are not helped by some of the nearsighted and inexperienced operators who have compromised the reputations of some top-notch programs.

In terms of solving these problems, I think we just need to give a good shake to some of these heavily lobbied politicians who prefer to cater to moneyed special interests rather than listen to the voices of the people they are representing.

I also propose a "decency and competency" test to be administered to anyone wanting to become an operator so that we can weed out all the dopes who have managed to get gaming licenses. Maybe GPWA wants to partake in this!

What steps do you take to stop the spamming? Spamming is not completely eradicable but the deactivation of accounts definitely helps. A simple "Stop spamming or else" e-mail usually does the trick, and if not – see ya!

One way to keep affiliates happy is to pay them on time. What steps has your program taken to ensure that they'll be paid on time? And when do your payments go out? All payments are processed on the first of each month and within a few days of that, all affiliates have usually received their commission (obviously wire transfers take a few days to arrive). You can refer to the "Affiliate Payments" section of GPWA and other forums to verify this.

When the clock hits 00:00 on the first, we are already starting to process payments; hence the 8 a.m. confirmation of funds received by affiliates.

How long do you give yourself for responding to e-mail? And what e-mail management tips can you offer? Now with everyone getting mail on their mobile phones, rapid e-mail conversations are always taking place. If I am not sleeping, I usually answer within a few minutes – although I do find myself on my Blackberry in my dreams, which is very creepy. In terms of e-mail management – ANSWER them! To affiliates specifically: we know you get tons of e-mail a day, but please,

CONTINUED FROM PAGE 63

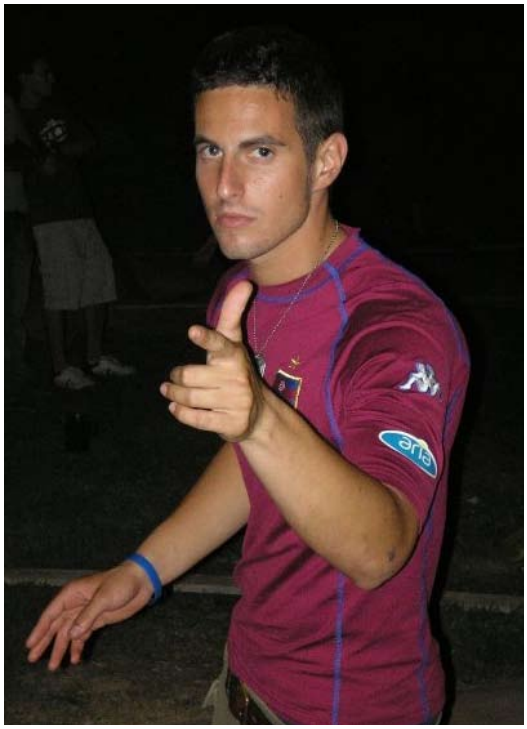
even if you are not interested, just give a three-word response so we don't have to keep bombarding you. "I'm not interested" usually works.

How do you manage your "to-do" lists? Do you use any special software to help you out? I stick to Post-its and notepads and there is no better software than a ballpoint pen! Seriously, I don't know how I work in this business as I am a technologically illiterate mutt.

We discovered you are a graduate of the University of Oregon, where you majored in journalism. So how did a good Duck like you end up moving into the online gambling industry? Do you miss being on the radio (and if so, what do you miss most about it?)? And why did you move to Israel? I decided to move to Israel after college because I needed to shake some things up in my life and wanted to join the Israeli Army as the first step into integrating myself into Israeli society. Sports journalism is still my passion and someday I intend to have my own sports radio show, but for now, getting my Master's degree is my main priority. Never did I imagine that I would be working in the online gaming industry; however, I needed some shift work to complement my time as a student and as a result fell into the customer support team of a competitor. From there I moved into affiliates before taking the job at AffiliateWIDE to head up the program here. Being an affiliate manager is the best job for a Master's student, as dealing with affiliates can be done 24 hours throughout the day. This is a job where set hours do not make sense – it is definitely better to be flexible throughout the day, night and early morning hours!

Do you gamble yourself? If so, what games do you like to play? Were you an online player before getting into the industry? In high school, after seeing the film "Rounders," I developed a minor poker addiction that showed itself in the school cafeteria, but those days are long gone. The only time I will make a bet is with friends over college football – and of course during March Madness; but that is not really gambling, is it?

What advice do you have for someone just starting in the industry? Understand the players. From there, you can work in nearly every field associated within the business itself. Also, there should be a manual for abbreviations – I still find myself asking affiliates to what they are referring when they give me a three-letter abbreviation!



If you were at a bar with an unlimited budget, what would be your drink of choice? I would be drinking beer and chasing it with Arak. For those of you who don't know what Arak is, let me know and I will send you a bottle. Pure joy in a bottle – and at a price that won't break the bank.

Who do you think is going to win the World Cup this summer? I would love to see a team from Africa take it, but I do not think this is the year. Spain's time has finally arrived. This is definitely the finest team the Spaniards have put together in some time, and mixed with their grouping, it seems like a winning combination to make a run for it.

What is the last book you read? Did you enjoy it? Why or why not? The last book I read was Uneasy Lies the Head, the autobiography of the late King Hussein of Jordan. It is definitely a fascinating book, and anyone who is interested in trying to understand Middle East politics has to read it.

What is your favorite movie? And why? I am not a movie buff, but I would have to say "City of God." It is congruent with my obsession about Brazil.

If you had a theme song, what would it be? "I'll Make Love to You," by Boyz II Men. Let's not go down that road…

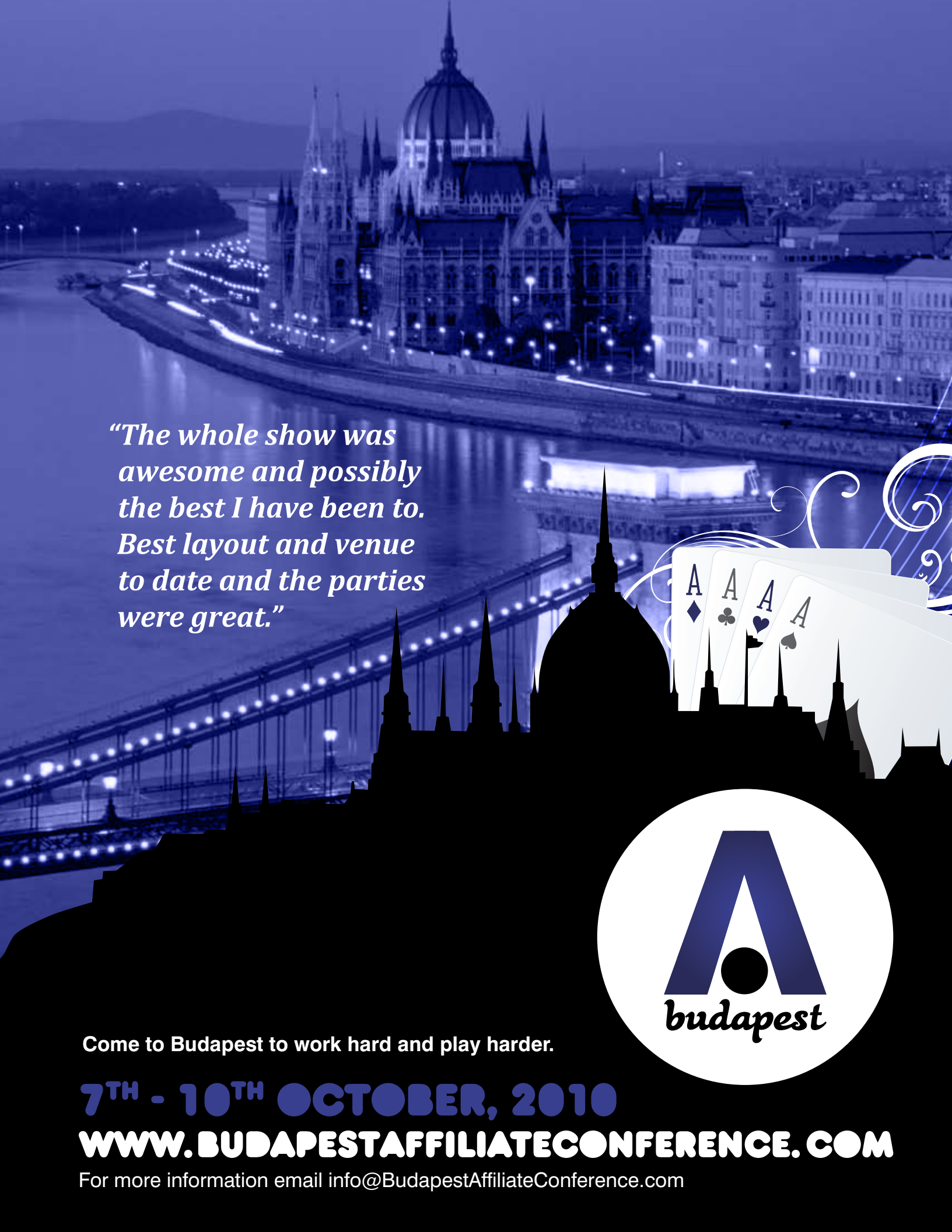
If you could change one thing about the online gaming industry, what would it be? I would love to have affiliates, players and operators all communicating equally and keeping each other informed so nothing slips through the cracks. It would also be great if the nitwits in this business would stop making all of our lives more difficult – that goes for all sides of the spectrum.

If someone is visiting you, what's the one place you have to take them to see? I am definitely taking them into the middle of the Negev desert in Southern Israel. I think every person at some points needs to feel like he or she is the only being left in the world; parts of the Negev will definitely get you there!

What are three things that no one knows about you?

1. I played the violin for 10 years.
2. I did standup comedy in college and got booed of the stage.
3. I was arrested six times before the age of 21 – everything was expunged, though!

Due to space constraints, we could not print the interview in its entirety. The complete text will be posted at gpwa.org.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SARAH PSAILA | Betsafe

Right now, the first thing people see when they visit the Betsafe Web site is a promotion for "The Recruiter." What is "The Recruiter"? How long is this promotion available? The Recruiter is a competition initiated by Betsafe.com which can be compared to an extremely well developed refer-a-friend program. Customers earn points when their friends sign up with Betsafe. Points then determine one's placement on the leader boards where a total prize pool of €350,000 is up for grabs. The best Recruiter will drive off from this competition with a brand-new Porsche! Henrik Person, our CEO, is the mastermind behind this promo, which will run till the end of July.

"At Betsafe we pride ourselves on being a company that maintains close contact with customers and business partners alike."

In terms of the size of business, how do the poker and casino units compare to the sports betting at Betsafe? I must admit that things at Betsafe over the past year have gone from strength to strength. We are a sportsbook renowned for having one of the strongest offerings in the industry for the markets we target, and our poker and casino products have grown at an astronomical rate. Since moving to Ongame early last year we have managed to establish ourselves as one of the most promising rooms in the Ongame network and we continue to exceed all expectations both internally and externally. Our casino has also enjoyed exceptional success, and we now look forward to launching our second casino at the end of May. Launching a crypto casino along with our current portfolio from NetEnt will definitely give us that additional edge and help ensure we have one of the strongest casino products in the industry.

What percentage of your sports betting customers cross over to poker and casino? What about the other direction? Do poker players become sports bettors? What about casino customers? As in any other business cross-selling plays an important strategic role here at Betsafe. We feel (and our stats prove) that we are in an advantageous position in terms of cross-sell as well given that we have such a strong and unique sportsbook product. This in turn makes cross-selling somewhat easier given that experience shows that it is far easier to encourage cross-sell from sportsbook to poker and casino rather than vice versa.

What differentiates the Betsafe affiliate program from other affiliate programs? At Betsafe we pride ourselves on being a company that maintains close contact with customers and business partners alike. In the Betsafe affiliate program, the dedicated affiliate management and efforts made to help our affiliates at an individual level are key differentiating factors. That said, we do have a number of additional very exciting projects and propositions related to our affiliate program in the pipeline that will help us further stand out in the crowd, but the details here are for me to know – and for the rest of you to find out very shortly!

In your FAQ, you clearly state that Betsafe does not tolerate spamming. If Betsafe discovers someone is spamming to promote Betsafe, what steps will be taken to stop the spamming? In adhering to company policy we do monitor our affiliates' activity and strive to protect the brand at all costs. Understandably our affiliates need flexibility to promote us but we do make every effort to ensure that the Betsafe brand is safeguarded at all times. Solid relationships with our affiliates put us in a position to be able to contact any affiliate should any problem like this arise, have an open discussion and discuss the best way forward, one that will be mutually beneficial to both parties.

How long do you give yourself for responding to e-mail? And what e-mail management tips can you offer? I'd like to think that my response time to e-mail is not significantly lagged, and while I do have to prioritize certain e-mail, I do make it a point not to leave people waiting for a reply for more than 24 hours. Sometimes answers can't be given but an acknowledgment within 24 hours is essential good-business practice. The key here is organization! Understanding my business priorities and organizing my inbox accordingly definitely helps me get through my inbox more efficiently answering what needs to be answered and delegating and following up others...rules set up on the basis of these priorities always help, especially when you are faced with over 200 e-mails after a day or two on leave!

In your mind, what's more difficult, attracting players or retaining them? I would have to say retention! Attracting players is understandably important; however, extending CLTV [combined loan to value] is where both affiliates and operator can really cash in. Acquisition is significantly more expensive than retention, especially when one considers the extortionate costs incurred when employing mass-marketing techniques, which are essential for brand-building and acquisition efforts. But if the budget is available increased acquisition stats are easier to achieve. Retention on the other hand requires far more intellectual resources and strategic thinking, but is what will

Due to space constraints, we could not print the interview in its entirety. The complete text will be posted at gpwa.org.

really allow for long-term profitability and mutually beneficial partnerships.

How can affiliates help in retaining players? I very much see it as being a joint effort between affiliates and operators. Affiliates need to ensure what they promise their players or subaffiliates is manageable by the operator, while the operator needs to ensure that the CRM strategy employed is efficient and effective in helping affiliates understand their differentiated player base so that they may target and achieve results accordingly. Affiliates can also contribute to the operator's understanding of their respective player profiles, allowing the operator to manage players in the most effective way possible. Sound communication with all parties is key!

Most of the affiliate managers we talk to say building trust with their affiliates is critical to success. How do you go about building trust with your affiliates? Having a transparent program with reliable stats and a strong, dedicated affiliate team behind the scenes are in my opinion the key ingredients. Clearly communicated terms and conditions that are adhered to are also important if you want to build solid long-term relationships with your partners!

Besides trust, what are the keys to building successful relationships between affiliates and affiliate programs? Trust is a major factor as I previously pointed out, but to build this trust one needs to ensure efficient internal and external channels of communication, operational transparency and an affiliate team that takes the time to listen and understand the current and future needs of affiliates and their respective player bases.

What are the three most important attributes an affiliate manager must have in order to be successful? Persistence, determination and the ability to work hard and party harder!

How long have you been in the online gambling industry? Why did you decide to enter the field? I actually started working in gaming three years ago as an account manager at NetRefer. Prior to that I was interested in the field and related my Marketing Master's studies to the online gambling industry with a specialization in affiliate marketing.

Rumor has it that you love Malta. Did you grow up there? What does the world need to know and understand about Malta – and your love for Malta? I am Maltese born and bred. I grew up there most of my life but I did spend quite a few years studying in England. First things first: Yes, it exists; no, it's not part of Italy; yes, the Internet has finally arrived; and no, we aren't all related! LOL. But seriously, Malta is a great place to be...its climate, rich historical background, friendly people and overall relaxed atmosphere make it an ideal home or place to visit!

Where have you lived in Europe? What were your favorite things about the places you lived? How did those places compare to Malta? England and Sweden – both places proved to be a great experience. Living on an island sometimes tends to lead to quite a narrow mind frame. Getting away helped broaden my perspective, and ensured I came to understand that there is a lot more to life than the sun the sea and partying in Paceville!

Time to represent the Scorpios. What is great about being a Scorpio? What doesn't the world understand about Scorpios? I'm not one to go by the books when it comes to horoscopes... I do read them ... but only believe them when it pays me to do so – so I won't comment much here!

Do you gamble yourself? If so, what games do you like to play? Were you an online player before getting into the industry? I'm not much of a gambler myself...my last trip to Vegas was spent in the shopping mall at Caesars Palace, which goes to prove this all too well!! I obviously make it a point to understand the products we offer and the psychology behind the players and the games... but as for money spent online... it's shopping rather than gambling that drains my bank account!

What advice do you have for someone just starting in the industry? Don't let anyone or anything knock you down...hard work and perseverance pay off in the long run!

If you could have dinner with three other people, living or dead, who would they be and why? Jesus Christ – Have a few question here I need to ask the big guy!! Sigmund Freud – Think it's high time someone analyzed him rather than vice versa!! Marc Jacobs – I need a new bag!

What's the best movie food? And why? Chocolate. I'm a woman – chocolate is the answer to all my problems and the ideal food for any situation!

What is the last book you read? Did you enjoy it? It was an academic book read in preparation for my post graduation viva – I enjoyed the fact that it backed up my research findings, but to be totally honest there are far more interesting books I would have rather read.

What is your favorite movie? And why? This very much depends on my mood... it could be a chick flick one day and an action-packed thriller another...but "The Godfather" is a movie that has passed the test of time and remains on my hit list... that and all other Al Pacino movies!

If you had a theme song, what would it be? And why? "These Are the Days Worth Living." I may not always relate to the lyrics but that song always helps me recharge, refocus and get right back in the game!

If you could change one thing about the online gaming industry, what would it be? I think it would have to be the reputation it has in some countries.

If someone is visiting you, what's the one place you have to take them to see? Given Malta's size, I'd take them to see the whole place ... in less than three hours!!!

AARON O'SULLIVAN | Jackpot Games

You're a serious veteran of the industry. What makes Jackpot Games different? To start it's backed by a leading European parent company with more than a decade of experience in live video and mobile solutions, including a unique smartphone casino product and a Sky channel. We feel like we have the best of both worlds: some fresh and truly different ideas from the parent company, together with a team of experienced gaming industry professionals who, while embracing the fresh approach, are able to avoid the mistakes often made by new outfits trying their hand at the gaming industry for the first time.

"Experience has taught me that affiliate marketing is about trust, transparency and personal, flexible business relationships."

With the affiliate program, it's a little more traditional but with a few personal touches that I wanted to adopt on taking the role. Experience has taught me that affiliate marketing is about trust, transparency and personal, flexible business relationships. So I made sure that the program uses a recognized, trusted platform (provided by NetRefer) that is able to adapt to the requirements of different affiliates. It is that level of flexibility in the program that, in my opinion, separates us from our competitors.

In terms of transparency: the program has no inactivity clauses, and it has realistic commission tiers that go up to 40 percent. And the best part is that you don't need to have net revenue figures of £15k to breach that second level percentage figure! Naturally, it's only fair that affiliates can contact the team for a complete breakdown of their earnings, too.

Golden Derby is one of the more popular games at Jackpot Games. What is Golden Derby? And why do you think it is so popular? Golden Derby is Jackpot Games' virtual horseracing game. I think the answer lies in the game's graphics, which really are first-class. Combined with a simple betting slip, generous odds and enough detail for even the most ardent racing punter, and it all makes Golden Derby top gambling entertainment.

Jackpot Games is currently a no-download casino. Are there any challenges in getting people to play at no-download casinos that other properties don't face? Or is it easier to get players if they don't have to download something? The traditional view is that the casual player will convert more readily and play more if the games are available instantly, whereas the more serious, dedicated casino player prefers downloads and the better graphics associated with them. In regard to the latter point, I don't think this is the case. I believe it's simply because instant play games haven't had a dedicated casino home and, up until now, have been promoted as additional options for players on sportsbooks or poker sites. Also, with ever-improving Flash technology there is no compromise in game quality between instant and download versions, and with high-speed Internet bandwidth now available to the majority of players around the world, there is little or no lag between clicking and playing a Flash-based game.

At Jackpot Games we will be offering the full casino service with all the benefits of instant-play games. To give the user maximum choice we're also looking at a downloadable version of the casino in the very near future. Yes, that was blatant product promotion!

If Jackpot Games discovers someone is spamming to promote Jackpot Games, what steps will be taken to stop the spamming? E-mail marketing is an accepted part of the affiliate industry, but there is absolutely no place for spammers at Jackpot Games. We will suspend payment and ultimately ban those who conduct unethical e-mail marketing campaigns, as is stressed in our terms and conditions.

One way to keep affiliates happy is to pay them on time. What steps has your program taken to ensure that they'll be paid on time? And when do your payments go out? We have accounts with major payment gateways, including Moneybookers and Neteller, and we're always looking to increase our e-wallet solutions. We also have traditional banking solutions through wire transfers. However, the importance with which we regard affiliate and player payments can be best judged by our parent company's acquisition of Yes Payments, a fast-growing Internet Payment Service Provider that is targeting the global market. This will provide Jackpot Games with a unique platform to offer reliable and quick payments, and allow us to pass on savings to affiliates and players. We pay affiliates in full within seven working days of a new calendar month.

How long do you give yourself for responding to e-mail? And what e-mail management tips can you offer? I make responding to affiliates my top priority and will work throughout the day on replying if need be, with the exception of the period around payments. Normally affiliates don't mind a short delay then.

As for e-mail management: the best tip I can offer is to set up fold-

Due to space constraints, we could not print the interview in its entirety. The complete text will be posted at gpwa.org.

ers and automatic rules so that certain e-mail instantly populates in logical locations in your inbox. It allows you to find certain messages easily and separates the internal e-mail from the external.

In your mind, what's more difficult, attracting players or retaining them? As a relatively new casino the biggest challenge is recruitment. The challenge lies in building recognition of the brand and positive responses to it. With the latter we've already seen a great deal of success; the former will come with time and investment.

What advice do you have for someone just starting in the industry? Understand the industry; ask questions and learn as much as you can from everyone. Having an understanding of affiliates, SEO, customer relationship marketing, security issues, payments and so on will allow you to empathize with affiliates, affiliate managers and the casino staff generally, and allow you to make faster, better and more confident decisions.

People in the online gambling industry have been known to party. What's your best party story? Of the stories I can tell without totally disgracing myself the best one would be the time I'd had a few beers and invited the whole bar back to my locked hotel swimming pool at 3 a.m. I was caught by security guards after 15 very fun minutes in the pool – after all I had nowhere to run to as I was staying there. I denied everything (I've seen the cop shows!) until they showed me frighteningly clear CCTV footage of me running around in my underwear.

If you were at a bar with an unlimited budget, what would be your drink of choice? And why? Ahhh, so many to choose from. I guess it would be Highland Park whisky... but then I like a Hendrick's gin and tonic... and of course there's Bollinger.

Who do you think is going to win the World Cup this summer? And why? Spain. They're playing the best football in the world at the moment, and given they won the Euro Championships they may have lost their penchant for bottling it at the big events. Naturally, I'd like to say England but I don't think we're quite there – they're within a reasonable shout, though.

If someone is visiting you, what's the one place you have to take them to see? Well, I've only just moved to Malta, but from what I've discovered of the place it would have to be Mdina – the original walled fifteenth-century capital in the center of Malta that has barely changed. What could be better than a place with great views and superb little restaurants in a setting of real atmosphere?

What are three things that no one knows about you? Three things?! I'm a pretty open person...er...right:

1. I own a castle...okay, it's ruined and shared amongst 300 or so other O'Sullivans, but it still counts, I reckon.
2. I'm a glider pilot.
3. I support Norwich City Football Club. Not a massive secret but I'm sure most people reading this didn't know that.

FRANCE AND THE U.K. TAKE A SECOND LOOK AT THEIR GAMBLING LAWS

The legal landscape for online gambling in Europe is changing quickly, and nowhere are the changes more dramatic than in two of Europe's largest markets – France and the U.K. GPWA Times Managing Editor Vin Narayanan has been tracking the changes, and takes a closer look at what's happening in each market.

FRANCE

This summer, in time for the World Cup, France is expected to "liberalize" its online gambling laws and allow non-French operators the opportunity to offer their services in the second-most populous country in the EU.

For decades, Française des jeux (FDJ) and Pari mutuel urbain (PMU) controlled the gambling market in France. FDJ handled the lotteries side and PMU handled horse race betting. But under pressure from the European Commission, France began the process of revising its gambling laws last year.

France's new gambling law allows operators to apply for licenses to provide online sports betting and online poker. Online casinos are not allowed. As of press time, the final regulations for the law had not been released. But that hasn't stopped several of the industry's largest operators from striking deals to enter the French market. And it hasn't stopped top industry watchdogs from stating their concerns about the new legislation.

Ladbrokes, which operates Ladbrokes.com and more than 2,700 betting shops in the U.K., Ireland, Belgium and Spain, is launching a joint venture with Groupe CANAL+ – France's top pay TV provider – that will provide an online betting service that is licensed and regulated in France.

The Canal+ Group has about 12.5 million subscribers to its TV channels, including 10.8 million subscribers in France. Among the popular Canal+ channels are Canal+ and Canal+Sport. Ladbrokes is supplying the gambling expertise and technology for the joint venture. CANAL is providing the Canal+ brand, access to Canal+ customers and its expertise in operating in France.

"Canal+ is a brand that is synonymous with sport in France," said John O'Reilly, Ladbrokes' managing director of remote betting and gaming. "We believe that there is an opportunity to build a good business in France over time as the market and regulation develop."

"Ladbrokes is one of the world's leading bookmakers with a strong heritage in this sector," added Groupe CANAL+ President Bertrand Meheut when the joint venture was announced. "We look forward to working with Ladbrokes to establish one of the leading betting businesses in France."

Other sportsbooks are jumping into the lucrative French market as well. Sportingbet has inked a two-year deal with the Internet version of France's national paper, *Le Monde*, which allows Sportingbet to offer a co-branded sportsbook to French customers that is accessible from the sports page on *Le Monde*'s Web site, lemonde.fr/sport.

Bwin, which pulled out of France in 2006 when two of its executives were arrested there, is creating a sportsbook for France as part of a joint venture with *L'Équipe*, France's national sports newspaper.

And anticipating competition from the opening of the market, PMU has partnered with Paddy Power to get spread betting prices.

Paddy Power isn't the only online gaming firm PMU is partnering with. PMU is also working with PartyPoker to offer online poker. In addition to PartyPoker's new French-language site, PartyPoker.fr, PartyGaming also is providing white label poker rooms for the AB Groupe and PMU. Players from all three sites will create PartyPoker's French player pool. The AB Groupe has about 50 million paid subscribers to 15 TV channels, and is expected to provide some marketing muscle for the new venture.

Like PMU, FDJ, the other half of what will soon be the former French gambling monopoly, has been hard at work trying to protect its market position.

FDJ bought Laverock Von Schoultz (LVS), a London-based software provider known for its sports betting technology. In addition to offering sports betting, FDJ is partnering with the Barrière Casino to offer online poker. Barrière, which operates 38 land-based casinos in France, Switzerland, Egypt and France, also runs the 3D online casino Le Croupier.

And in an effort to get its new offerings in front of as many eyeballs as possible, FDJ has signed a deal with mobile phone and telecom provider Orange to put FDJ online gambling options on Orange's French portals.

FDJ has also reached an agreement with TF1, France's top TV broadcaster. The partnership calls for TF1 to provide a games area on the TF1.fr Web site that offers FDJ sports betting, poker and lottery games. It also provides opportunities for FDJ to sponsor TV shows that could be related to their products, like a World Cup show.

Mangas Gaming, which controls Everest Gaming and owns Betclic, Expekt and Bet-At-Home, has also announced their intentions to get French licenses as well. Ever-

est Poker and Betclic poker will create the player pool for its French network.

Mangas Gaming has also signed a four-year deal with Métropole Télévision M6 to form an online gaming partnership. Mangas will sponsor sports and poker programs, and in return they'll be offering Internet gaming on M6 Web sites. M6 is the second-most watched private television service in France.

The common thread among all of these planned entries to the French market is large operators. Large operators with deep pockets are poised to take advantage of France's new law. And that's because it appears that the regulations will make it difficult for smaller players to succeed there.

Ari Last, who works at right2bet – an organization dedicated to allowing EU citizens to be able to bet with whichever EU-licensed betting company they wish, regardless of in which member state that company is based – describes the situation this way:

"The problem with the French bill is that it is laden with rules and regulations that in reality make things extremely difficult for foreign competitors to enter the market successfully. High taxes, limitations on the products one can offer plus strict rules on a company's setup and operations are in essence barriers to entry that will in many cases prove too steep for competitors to even attempt to surmount.

"What this means is that the position of the FDJ is strengthened, since on one hand the new legislation entitles them to advertise more and offer more services, while at the same time it dissuades the competition from posing a challenge. And the Pièce de Résistance? The change appears under an umbrella of 'legislative progression' which the French hope will get the likes of us, and the Commission, off their back."

The proposed tax rate for sports betting is 5.7 percent. The proposed tax rate for online poker is 1.8 percent. The tricky thing about these tax rates is they're designed almost like sales taxes, and apply to each euro bet, rather than gross revenue. So in addition to charging a rake, online poker rooms will have to figure out how to add the 1.8 percent "sales tax" into the mix as well.

As a point of comparison, online poker companies licensed in Malta have to pay a 5 percent tax on net income. And online sportsbooks pay 0.5 percent tax on the gross amount of bets accepted.

In addition to tax rates, online gaming companies face additional hurdles if they intend to operate in France. For online poker, the pool for players is restricted to France. And online gaming services can only be offered to French residents through sites using .fr domains.

As of press time, France's new online gambling regulatory body Autorité de Régulation des Jeux En Ligne (ARJEL) had not announced detailed technical requirements for the online poker rooms and sportsbooks getting ready to enter the French market. The group did indicate that it expected to announce those requirements in mid-May.

ENGLAND

When the Gambling Act of 2005 was passed, and when its regulations on Internet gaming went into effect in 2007, it was hailed as "the regulatory model" for Internet gambling. It created the framework for a regulated online gambling industry in the U.K. But it still gave online gambling sites licensed outside Britain an avenue to access its markets through a combination automatically honoring the licenses of EU nations, along with Iceland, Liechtenstein, Norway and Gibraltar, and of "white listing" other jurisdictions for meeting British regulatory standards. (Only four jurisdictions have been "white listed" – Antigua and Barbuda, the Isle of Man, Alderney and Tasmania.)

The online gambling industry loves the current British regulatory model. But the British government has become unhappy with it, and is looking to make changes.

In April of 2009, Minister of Sport Gerry Sutcliffe asked the Department of Culture, Media and Sport (DCMS) to assess the performance of remote gambling regulations and suggest changes. The underpinnings of the government's unhappiness were clearly outlined in a DCMS consultation report released in March and included:

- Lack of consumer protections.
- Increase in complaints from British bettors.
- No requirement for overseas jurisdictions to report suspicious betting patterns.
- Other EU nations (e.g., France, Italy) rejecting a single market approach and adopting a national licensing system.
- Most casinos accessed by British consumers were not licensed in the U.K.
- Many operators who were licensed in Britain have moved overseas.
- Fear that emerging European jurisdictions will be lightly regulated.
- The inability to collect fees from offshore gambling sites for the British horse racing industry.

The lack of consumer protections appeared to be the biggest concern for legislators and DCMS.

"The Commission does not, of course, have a monopoly on good regulation – most, if not all, sites targeting British consumers will be subject to some form of regulation in their home jurisdiction – there are different regulatory standards and approaches," the report reads. "Consumers therefore may experience varying levels of protection depending upon which operator they deal with.

"The Commission receives many enquiries from British consumers about gambling activity licensed offshore. There have been enquiries in relation to social responsibility (for example, where consumers have been unable to self exclude from websites) and unfairness (for example, where winnings are not paid out or where complaints have not been satisfactorily dealt with). However, as the Commission does not regulate these operators, they can only refer enquirers to the regulator in the originating jurisdiction and cannot investigate the complaints or follow up to determine whether the issues go on to be resolved.

"These enquiries give us a general indicator of the common problems that exist for British consumers and indicate that some people are unaware that they are gambling on an overseas licensed website and are not protected by British law."

"The problem with the French bill is that it is laden with rules and regulations that in reality make things extremely difficult for foreign competitors to enter the market successfully."

– Ari Last, Right2Bet

The second driving force behind the push for changes is the sheer lack of operators who choose to be licensed in Great Britain, and the revenue lost because operators are staying away.

"It is estimated that there are currently between 2000-2500 gambling websites worldwide," the report reads. "The Commission currently has approximately 150 remote licensees that can offer internet betting, casino or bingo. Of these, fewer than 100 are active, consisting of some large betting operators but mainly small betting operators. The Commission's industry statistics paper for 2008 gives the remote sector's gross gambling yield (GGY) at approximately £890 million with approximately £850 million generated from remote betting operations and the remaining £40 million GGY from casino, bingo and other gambling products.

"In addition to adhering to British regulatory requirements and contributing to research, education and treatment of problem gambling in the U.K., U.K.-based operators also pay tax on their betting and gaming revenue. Licensed remote betting operators are also required to contribute 10 percent of their gross profits towards supporting the British Horseracing Industry via the Horserace Betting Levy."

The DCMS solution to these problems is to "introduce the need to obtain a licence to transact with British consumers and advertise in the U.K."

"This is the Government's preferred option," the report reads. "Under this option we would need to amend the Act and introduce a requirement for operators licensed in EEA member states and Gibraltar to obtain a licence from the Commission to permit them to transact with British consumers and/or advertise in the U.K. This would therefore apply to all operators who want to operate in the British market, irrespective of whether they want to advertise their services or not.

"Operators would be required to demonstrate their ability to meet and adhere to the provisions of the Act, its secondary legislation and the Commission's requirements in order to be permitted to transact with and/or advertise to British consumers."

DCMS also wants to develop a more streamlined white listing process for jurisdictions outside the European Economic Area. But online gaming properties licensed in a white listed jurisdiction would still have to receive a British license to accept British players.

At press time, the results of the general elections in the U.K. were not known. But the Tories have been unhappy with the Gambling Act for some time. And with a new regulatory scheme being pushed by the Labor Party, it's likely that new online gambling regulations similar to what's in the consultation paper are on the way.

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