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Virtuals and e-sports: friends or foes?

Manos Lagopoulos and *Vangelis Kalloudis*, from Intralot's product and services division, consider whether virtual sports and e-sports are enemies or allies



IT'S been a number of years since the sports betting industry was investing in the expansion of the betting portfolio with the aim of attracting a younger demographic.

The rise of virtual games and the attention given to e-sports serve to prove the point, with both revolving around the same initiative - that of betting entertainment.

Virtual betting games play the role of so-called sports betting gamification, providing that entertaining touch. As such, they have proved to be a great acquisition tool for new and less casual players since they are mostly driven by luck instead of knowledge.

“WHEN ENHANCED WITH A COUNTRY'S SPECIFIC THEMES, NATURAL SOUNDS, LANGUAGE AND COMMENTARY, VIRTUAL BETTING EXPERIENCES DELIVER STIMULI SIMILAR TO THOSE OF REAL SPORTS-BETTING EVENTS”

When enhanced with a country's specific themes, natural sounds, language and commentary, virtual betting experiences deliver stimuli similar to those of real sports-betting events.

At the moment, it seems that young potential players are standing on the doorstep of the sports betting world and the industry's vendors are constantly striving to welcome and entice them with their propositions. Entertaining content is a powerful weapon for appealing to this audience, yet it is not the only concern operators have in today's fast-evolving betting environment.

Persuading a younger demographic to enter an operator's ecosphere is extremely challenging, as it not only requires efforts for attracting, engaging and retaining these individuals, but actions to responsibly educate them on betting, its processes, capabilities and entertaining aspects. As such, the ever-changing response to these challenges is what drives product evolution, and so, when developing next-generation betting products, player experiences and local market requirements need to be taken into account - and any "one-size-fits-all" approaches overlooked.

Today, virtual games seem to follow the evolutionary curve of traditional fixed-odds betting, moving from pre-game/single betting to in-play/multi betting. Virtuals account for 10 per cent to 20 per cent of over-the-counter revenues, with football, horse and greyhound racing holding the lion's share.

The popularity of virtuals gladly demonstrates that, as a starting point, even traditional fixed-odds betting players have embraced them, despite the initial surfacing of concerns that these games were perceived as nothing more than bad copies of the real thing.

Is attracting new customers and younger audiences the only target for virtual betting games? Certainly not. This segment will continue to be a differentiating factor for every gaming operator and there will be a lot of innovation to come. Right now, virtual games involve *ad hoc* events and short tournaments. Tomorrow and beyond, these will expand into seasons, where players will have the ability to follow player performances, injuries and disciplinary information, thus gradually removing the element of luck - without jeopardising entertainment.

To take it a step further, the implementation of new technologies such as augmented reality, virtual reality and artificial intelligence will be the focal point of future operator propositions to their customers.

AR and VR, in particular, are expected to be of key significance for the sports betting industry, as they are both a great fit for sport events. Users (customers) will be able to select their players, set up tactics, manage their teams in real time and compete against each other in a virtual or even augmented world. A world where each and every sports venue can become a virtual battlefield and where AI will take care of probability calculations and provide odds for numerous different market types for spectators and punters to place their bets on.

For now, the proposition sounds a lot like e-sports when it comes to observing the betting action, however the whole experience will be a lot different for the players themselves. The use of these new technologies will allow the players to have affinities, which is of key importance when we talk about sports. Players and punters will come as close as possible, which is not yet the case for e-sports.

The amalgamation of e-sports with virtual games will generate new cross-selling opportunities to sports betting operators. It will enable them to target seasoned e-sports players by projecting the entertainment element of virtual games based on random-number generation and giving them the chance to bet for a return of prizes or virtual goods.

New technologies will drive product development and as hardware costs decline over the years, propositions will become more and more appealing to operators. Subsequently, the cost of developing applications and products will also decline. As such, forward-thinking operators and vendors will be the ones to lead and eventually shape the virtual games landscape.

To conclude, gaming operators need to constantly enrich and modernise their product portfolio to keep up with the changing gaming environment. They need to deliver the most "updated" betting entertainment experience to audiences as a way to retain and attract new player segments.

Being at the forefront of the regulated sports betting industry, Intralot addresses this need by providing an omni-channel proposition that expands throughout a series of player touch-points, including self-service terminals, traditional over-the-counter transactions, desktop and mobile platforms.

Manos Lagopoulos is a senior sportsbook product manager in the products and services division of Intralot. With over 10 years' experience, he has held various trading and product management positions in the betting industry, in the UK and Greece. He holds a master's degree in International Banking and Finance along with a bachelor's degree in Accounting.

Vangelis Kalloudis is the racing and virtual betting, product manager in the products and services division at Intralot. With extensive gaming industry experience in product management, sales and analysis roles, he holds a master's degree in Financial, Actuarial Mathematics and Statistics, and bachelor's degree in Applied Mathematics.

“THE AMALGAMATION OF E-SPORTS WITH VIRTUAL GAMES WILL GENERATE NEW CROSS-SELLING OPPORTUNITIES TO SPORTS BETTING OPERATORS”