

February 2023

REVISTA **Casin**

TURISMO Y ENTRETENIMIENTO



**Vigen Badalyan,
Co-Founder of BetConstruct**

**"IT'S TIME TO
TRANSFORM THE
INDUSTRY"**

SMART PIT

TECHNOLOGY



Luxury Gaming Designed for the Future

Cover
"IT'S TIME TO TRANSFORM
THE INDUSTRY"



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ICE LONDON, WILL ALWAYS BE MORE!

The excitement and anticipation, among exhibitors and visitors, is reaching a fever pitch for ICE London 2024. Ice London has always been a cornucopia of business opportunities. It provides a platform for exhibitors to showcase the latest and greatest in product innovations, games, new technologies and services in the Gaming Industry.

With a renewed commitment to providing a professional, authentic, and business-focused environment, ICE London 2024 aims to connect the entire community and shape the future of gaming globally. The expo has always gone to the extremes to exceed and go above and beyond with each passing event, offering participants exclusive access to cutting-edge innovations. It serves as a showcase where operators, providers, and regulators can immerse themselves in a world of endless possibilities.

This year, the motto "MORE" goes beyond being a mere slogan; it is a statement of pride and a commitment to elevate the gaming industry to new heights. As organizers have declared, the expo promises to deliver "more connections, more inspiration, and more learning than ever before!"

The year 2024 marks a historic shift as it is the last time ICE will be held in London before moving to Barcelona for 2025. This relocation not only represents an opportunity for even greater renewal and expansion but also heralds a new chapter in the expo's history. Barcelona welcomes the opportunity to connect, collaborate and chart a new course toward greatness in 2025 Connect, collaborate, and chart a new course towards greatness and we will be there to witness the evolution of this event.

Kind regards,

Flabiana Infante

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Insights from Carlos Hernández Rivera, Luis Gama, Marco Hincapié Ramírez

WHAT HAPPENS IF REGULATORS, OPERATORS, AND PROVIDERS DON'T JOIN FORCES

Building legitimacy is crucial, sectorial associations are necessary, we are strategic allies, and more involvement is needed. These were some of the opinions expressed by former gaming regulators from Spain and Uruguay, and the current authority in Colombia in response to Revista CASINO's inquiry.

New markets, changes in established ones, continuous incorporation of new technology... The gaming industry is always in motion, either due to the inherent inertia of any sector or the emergence of restrictive norms due to the prejudice that falls upon it. What is the best path to establish an appropriate legal framework, promote the growth of companies, ensure that authorities have resources to allocate to society, and, along the way, not lose sight of user protection? Revista CASINO discussed this with three professionals experienced in regulatory processes: Carlos Hernández Rivera (Spain), Luis Gama (Uruguay), and Marco Emilio Hincapié Ramírez (Colombia).

SPAIN, A REFERENCE IN ONLINE GAMING

Carlos Hernández Rivera was the Director General of Gambling Regulation in Spain from June 2013 to November 2016. At that time, online gambling was an emerging market, regulated by Law 13/2011, but Spain served as a benchmark for many jurisdictions, including several in Latin America, which later regulated this modality. In fact, companies such as Codere, Luckia, and RETAbet, among others, ventured into Latin America, leveraging the expertise gained in the Spanish online market as their calling card.

It's important to note that the Spanish government regulates and controls online gaming nationwide through the

Directorate General for Gambling Regulation (DGOJ), under the Ministry of Finance. For land-based gaming (bingo, casino halls, slot machines), responsibilities lie with the Autonomous Communities, which also have authority over certain online games within their territories.

When asked about his main learning as a regulator, Hernández Rivera replied: "Efficient and proportionate regulation is not possible without the involvement of the industry itself. Therefore, it is crucial for the sector to have actors with full legitimacy whom

the regulator can approach with the confidence that they will be understood and assisted in finding the best way to regulate, and consequently, ensure the protection of users."

After leaving public service, in September 2021 Hernández Rivera founded silverback advocacy, a firm specializing in legal services and strategic consulting, particularly in regulatory advice related to public affairs. Although he no longer exclusively focuses on gaming, he continues to participate in industry events when invited. Considering the significant cultural and social

components of gaming, the former DGOJ director commented: "The valid regulatory model in one place may be entirely ineffective in another jurisdiction. Protecting users can only be addressed by understanding the cultural and social components in that particular jurisdiction, which vary in each location. Consequently, solutions implemented should also differ."

The key lies in finding a balance with strict regulation that protects users while at the same time creating an attractive and thriving environment for licensed operators. However, achieving

this balance is challenging. Of course, saying and writing this is easy, but achieving it is different. The top three best practices, according to the founding partner of silverback advocacy, are as follows: establish transparent dialogue between the industry and the regulator, regulate based on evidence, and conduct ongoing evaluations of the regulations once they are in effect.

"The existence of sectorial associations with a coherent message aligned with reasonable concerns of public authorities is essential to aspire to regulatory frameworks balanced





Carlos Hernández Rivera, co-founder of silverback advocacy and former Spain's regulator, at JuegoForum 2023.

RAISING THE VOICE

"In a region where regulations often arrive late, inadequate, or out of sync with industry growth, I wish to point out the highly effective actions being taken in Colombia," stated Luis Gama, Managing Partner of Gaming Consultores, a company providing comprehensive advice to the gaming industry.

"Implementing changes by anticipating what's to come or resolving issues immediately is undoubtedly one of the most notable actions in the gaming industry. This is one of the significant successes of the Colombian government. There is continuity in gaming policies that, regardless of the regulator in office, ensured a consistent and responsible working approach. A path was marked, and it was followed," he added.

Gama's gaming industry journey includes roles at the Directorate General of State Casinos and the Directorate General of Lotteries and Quinielas, where he served as National Director for eight years. Between 2013 and 2020, he was also the President of the Ibero-American Corporation of State Lotteries and Betting (Cibela). Currently, he works as a consultant for the private sector, alongside other former regulators in Latin America.

Peru is another market that stands out: "They are completing a regulatory process for online gaming that is intelligent, professional, and the result of work dating back many years. There is a lot of consistency between the goals set and the results achieved. The private sector behaved very maturely and undoubtedly contributed a lot to defining the regulatory framework." He pointed out that there are still many jurisdictions in the midst of discussion and have yet to resolve online gaming regulation, for example. This is precisely the case in his home country, Uruguay.

Consistency, continuity, and the existence of spaces involving all stakeholders are commonalities between Colombia and Peru. Gama emphasized the importance of listening to all participants and achieving necessary consensus generously. "Everyone must succeed. Otherwise, it's not be-

ing resolved well," he added. He then drew a parallel with Spain: "These two countries defined regulation without restrictions regarding the number of licenses to be awarded to operators, similar to the Spanish case. Generally, a restricted market fails to achieve desired objectives, and there are risks of increased illegal gaming."

Like his colleague Rivera Hernández, who emphasized the leading role of communication, Gama values spaces for discussion and debate. However, he added a piece of advice: we must speak up if we want to be heard. "We have been witnessing a series of complaints from operators and providers about how regulations are being handled in our region, but I think they should introspect. They should analyze how much they got involved and if they raised their voices enough to be heard," he encouraged.

And he added: "There is much ignorance about what the industry generates. The fight must take place on all possible fronts: legislative, civil society, institutions. They have to reach everyone for their opinions to be considered."

PIONEER IN LATAM: COLOMBIA

The first online gaming operating permit was issued in June 2017. At that time, Colombia officially claimed the title of being the first country in Latin America to regulate this form of gaming across its entire territory. Nearly seven years later, there are now 16 authorized operators. Coljuegos is the entity responsible for the rent monopoly of games of chance in this country, and lawyer Marco Emilio Hincapié Ramírez assumed its presidency in July 2023.

Upon taking office, he emphasized the importance of the gaming industry for his country. It is a sector that generates over 110,000 jobs and fosters the development of other economic activities such as hardware and software technology, advertising, marketing, and physical infrastructure, among others.

They decided to face several regulatory challenges this year in Colombia: "The goal is to continue providing tools and regulatory instruments that allow the

industry to keep growing. An important objective we have set is to surpass the barrier of collecting contributions for the health of Colombians above one trillion pesos (\$1,000,000,000,000, approximately 255 million dollars). To achieve this significant goal, we are working on the development of new regulations regarding games of chance to increase the game offerings in the market."

»»» **"The valid regulatory model in one place may be entirely ineffective in another jurisdiction"**

Coljuegos also promotes collaborative work, not only with sectorial associations but also with other state entities. For instance, they collaborate with the Financial Information and Analysis Unit (UIAF) to develop strategies that favor the fight against corruption, prevention, and detection of money laundering-related operations, their source crimes, and terrorism financing. Additionally, regular coordination occurs with sectorial associations or trade bodies such as Cornazar, Fecoljuegos, and Asojuegos to establish good managerial practices and transpar-

ency guarantees that ensure the proper use of the collected funds.

They are currently managing a modification to Decree 1068 of 2015 concerning raffles, one of the modalities of games of chance, to "provide a modern and updated normative tool that will offer greater dynamism and technification, allowing the growth and immersion into the legality of this activity throughout the country."

The official praises the relationship with operators and providers: "We have always considered them as important and strategic allies in achieving institutional goals: generating resources for the health of Colombians. Coljuegos contributes a flexible regulation, and providers and operators contribute to the sector's development and their businesses through their experiences, knowledge, investments, and proper business practices, within a framework of legality."

The three interviewees pointed out to Revista CASINO the impossibility of achieving appropriate regulation with the industry turned away, but they also emphasized the need for the support and involvement of operators and providers. They highlighted the importance of working in the long term on policies that are continued, regardless of who the authorities in office may be.



Former regulators Luis Gama (Uruguay) and Javier Balbuena (Paraguay) at the First Meeting of Innovation and Strategies in the Gambling Sector held in Paraguay.

between public and private interests," emphasized the former regulator.

What happens if, despite strong representation, there is no receptiveness? "In the face of an informed decision by the regulator, even if it is not in the interest of the operators, there is little that can be done beyond resorting to any judicial oversight mechanisms that may exist. However, decisions made due to a lack of information or understanding of certain phenomena in the sector are not uncommon. Here, the need for a direct and hon-

est line of communication with the regulator once again stands out."

The interviewee considered that the biggest challenge facing the gaming industry, like others, is to establish the foundations for incorporating advances in digital technology while fully respecting the imposed protection standards. Another former Director General of Gambling Regulation in Spain is also part of silverback advocacy: Juan Espinosa García, whom Hernández Rivera describes as his partner and friend.



Marco Emilio Hincapié Ramírez took over as Coljuegos' President in July 2023.

CCO Ian Hughes

GLI: “HELPING REGULATORS WITH NEW AND EMERGING TECHNOLOGIES IS AN INSPIRING AND EXCITING JOURNEY”

Explore GLI’s journey in strengthening the global gaming industry, from navigating diverse jurisdictions to embracing AI and cybersecurity. GLI’s executive shares insights on maintaining quality, innovation, and readiness in an ever-evolving sector.



Ian Hughes, Chief Commercial Officer.

Ian Hughes, the seasoned Chief Commercial Officer of Gaming Laboratories International (GLI), brings 30 years of industry expertise to the forefront, offering invaluable insights into the current state and future trajectory of global gaming. In this interview, he takes stock of GLI’s performance in 2023, emphasizing its client-centric approach and global adaptability. Operating in 707 jurisdictions, GLI stands as a crucial partner for gaming entities, navigating the complex interplay of technology, regulation, and innovation.

The interview delves into GLI’s pivotal role in shaping the regulatory landscape, with Hughes highlighting the company’s expansion and the unique challenges posed by diverse jurisdictions. Embracing challenges as opportunities, GLI places a strategic focus on fortifying cybersecurity defenses and aligning with emerging trends. The CCO also unveils GLI’s embrace of artificial intelligence (AI), showcasing its application in areas like responsible gaming and anti-money laundering.

Guided by Hughes’s optimistic outlook, the interview paints a dynamic future for the gaming industry, one where GLI’s commitment to excellence and foresight positions it as a vital catalyst for innovation and security in an ever-evolving global gaming arena.

With just a few days left until the end of this year and with the pandemic already behind us, what assessment would you make of GLI—both at a corporate and operational level—in 2023?

As we talk about making an assessment of GLI over the past year, it’s important to say it’s never been about GLI – it’s about our clients and the industry. We have done everything we can to strengthen our resources, abilities, and offerings to ensure we are absolutely prepared to help our clients with anything and everything they need to keep the global gaming industry competitive with other parts of the entertainment industry, and to keep it operating as safely and compliantly as possible.

As we look back over the past year and over the last 35 years, where we have excelled is in meeting our customers wherever they are on their product journey. Our end-to-end integrated compliance and testing solutions are constructed so that the results from each stage of evaluation flow into the next and build from there. That allows us to help ensure the strength and compliance of the entire industry.

How we do that is from early regulatory advisory, QA, pre-compliance, and compliance testing, to load, performance, and interoperability testing, we work hard to provide every client, no matter their size or scope, with the information and services they need to get to market quickly. Whether projects are simple or complex, suppliers, regulators, and operators know they can count on GLI, because when it comes to delivering quality and accuracy – every part of the process matters.

What are the main jurisdictions in which GLI has a presence and what new markets have they recently entered?

As we started 2023, we were operating in 567 jurisdictions, and now we are in 707. We are continuously humbled by the trust regulators put in our global teams, and that’s a responsibility we take incredibly seriously. Of course, what that means for suppliers



Ian Hughes visited GLI’s specialists and engineers in Japan.

is we can help them get anywhere in the world they want to go –in 707 jurisdictions– quickly and compliantly.

Regarding the latter, how has this experience turned out? What common difficulties (regulatory, economic, legal, or other) do you typically encounter in certifying equipment or games in some jurisdictions?

One of the things that makes our job really fun is that each jurisdiction is different. Yes, there are broad similarities, and our GLI Standards Series helps regulators with rule-writing and policy; however, each jurisdiction has its own intricacies and nuances that work to meet its specific policy objectives.

Helping regulators balance those policy objectives with new and emerging technologies is an inspiring and exciting journey. Parallel to that is our work with suppliers who need to understand those jurisdictional nuances so they can be compliant. It makes each day different, and it makes each day fun.

Convening regulatory entities is another key to the development of the industry. What assessment can you make of the Regulatory

Roundtables that GLI periodically organizes? What new features will the 2024 edition bring?

For decades, we have staged our Roundtables so that regulators can get up-close and personal with the very latest technologies and hear about trends that are on the horizon. It’s incredibly gratifying to me and to our team when regulators give us testimonials about why they think the Roundtable is important and how much the learning they get impacts their business.

This year will be no different. Our Roundtable takes place April 24 and 25 at the Palms Las Vegas, and we have an exciting agenda that covers the very latest trends and technologies, not the least of which are cybersecurity and AI. Cybersecurity continues to prove to be an absolutely imperative mission for the industry, and AI comes with a fantastic mix of potential benefits and possible threats.

What processes does GLI have or apply to maintain its standards of quality and technological innovation in an increasingly competitive and regulated gaming sector?

GLI works closely with tech innovators to understand the new technology



that is intended to be applied to the gaming industry, from which we ensure that our skilled engineering team is well-trained in the latest technology.

We work closely with regulators, operators, and suppliers within the gaming industry, and we also look beyond adjacent sectors such as banking as to how new technology is being applied. We see significant growth in cloud-based services, such as Azure and AWS.

We ensure that our engineering and compliance teams assess such changes on a global basis. We see certain jurisdictions having a higher emphasis on certain areas, which we see those jurisdictions leading in those areas, such as open banking and affordability in the UK or more robust AML systems being introduced in Australia.

We have high degrees of specialization within our engineering and compliance teams. For example, our compliance team focuses on global regions where we have regular in-person meetings with regulators to ensure we fully understand upcoming changes to technical standards. Our engineering teams are specialized in various areas such as mathematics, software, communications, and systems, which is

crucial to maintaining technical competence. Our training and test management systems are specifically designed for the gaming industry.

In summary, there are many elements of people, processes, and culture that combine to ensure GLI remains competitive with the highest quality of testing in a rapidly changing industry.

»»»» **“Our Roundtable covers the latest trends, including AI and cybersecurity, imperative for the industry.”**

On this path, Artificial Intelligence (AI) is an essential element. Currently, have you incorporated, or do you plan to incorporate AI tools into your processes or designs?

AI is a wide area, and it has a large role to play in the gaming industry. GLI has developed methods and a framework for the evaluation of AI in various applications. One of the greatest advan-

tages of AI is to process and leverage huge amounts of data for classification and prediction. Ours is a data-rich industry, with the amount of data being collected, increasing with the use of smart tables and enhanced KYC.

Applications for AI in areas such as responsible gaming, player churn, and anti-money laundering are just some of the examples that GLI is currently involved in. Developers who produce algorithms for categorization and prediction value GLI and the way we provide independent evaluation for the accuracy and precision of AI solutions.

Operators have increased confidence in the outcomes once they are independently verified and validated by GLI. AI also covers the area of generative AI, which is an interesting concept for the gaming industry in the evaluation of artificially generated images and math models.

From our perspective, using AI in our testing methods, we have been using automation in our testing, including the use of image recognition for the past few years and continue to investigate ways in which AI can improve the quality of testing and access to information and management of projects.

Finally, what new challenges does GLI foresee for next 2024?

Instead of challenges, we see things as opportunities. For example, the industry at large has an opportunity to shore up their cybersecurity defenses, and our Bulletproof division is an industry-leading force. In the U.S. there is a large opportunity with historical horse racing, and our teams are prepared to help regulators and operators embrace suppliers' HHR offerings.

The bottom line is, none of us knows what the future will bring, and because of that, the best strategy is to be prepared. Our clients in 707 jurisdictions rely on us to be ready for anything that comes next, and our mission is to help them be ready. I'm more excited than ever about gaming's future, and we are here to help our clients navigate whatever comes.

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New Technologies

ARTIFICIAL INTELLIGENCE AS A CASINO LOYALTY MECHANISM

Artificial intelligence and big data analysis are the main developmental tools used by companies in the casino and gambling sector, continuously working diligently to enhance the player's experience.

The term Artificial Intelligence (AI) was coined by the American computer scientist and mathematician John McCarthy during the Dartmouth Conference in 1956. According to the researcher, the definition referred to "the science and engineering of creating intelligent machines, especially intelligent computer programs."

Under this parameter, AI is now known as software designed to simulate human thinking, capable of collecting information from a vast database and then interpreting it according to the predetermined guidelines set by the company.

In the gaming industry, both traditional casinos and online platforms have benefited from this type of technological advancement. Operators constantly seek ways to integrate AI into their various products to enhance the consumer experience. What avenues do gambling companies use to incorporate AI technology into their business strategies?

What types of artificial intelligence do they incorporate?

DATA COLLECTION

Gaming sector operators are aware of the importance of artificial intelligence in building customer loyalty to their companies. Thanks to AI, companies can gather all kinds of information about the tastes, preferences, and behaviors of their users.

In this regard, there are four types of data that every organization aims to gather in its big

data: basic data, interaction data, behavioral data, and attitudinal data. The first refers to the customer's personal information, such as name, age, and email.

With the second type of data, the gaming company can identify if a player follows other online gaming platforms. In the same line are behavioral data, which reflect the detailed interaction between a user and a specific brand. Finally, attitudinal data show a

customer's opinion through surveys or online reviews.

Of the four types of information, the most commonly used by gaming companies are interaction and behavioral data. It is important to mention that personalization, in addition to improving the consumer experience, increases the percentage of potential customers to active customers.

INFORMATION ANALYSIS

With the aim of providing better service, online casinos periodically compile databases of their users. With the help of AI systems, they can perform predictive analysis of the information stored in big data, creating detailed customer profiles.

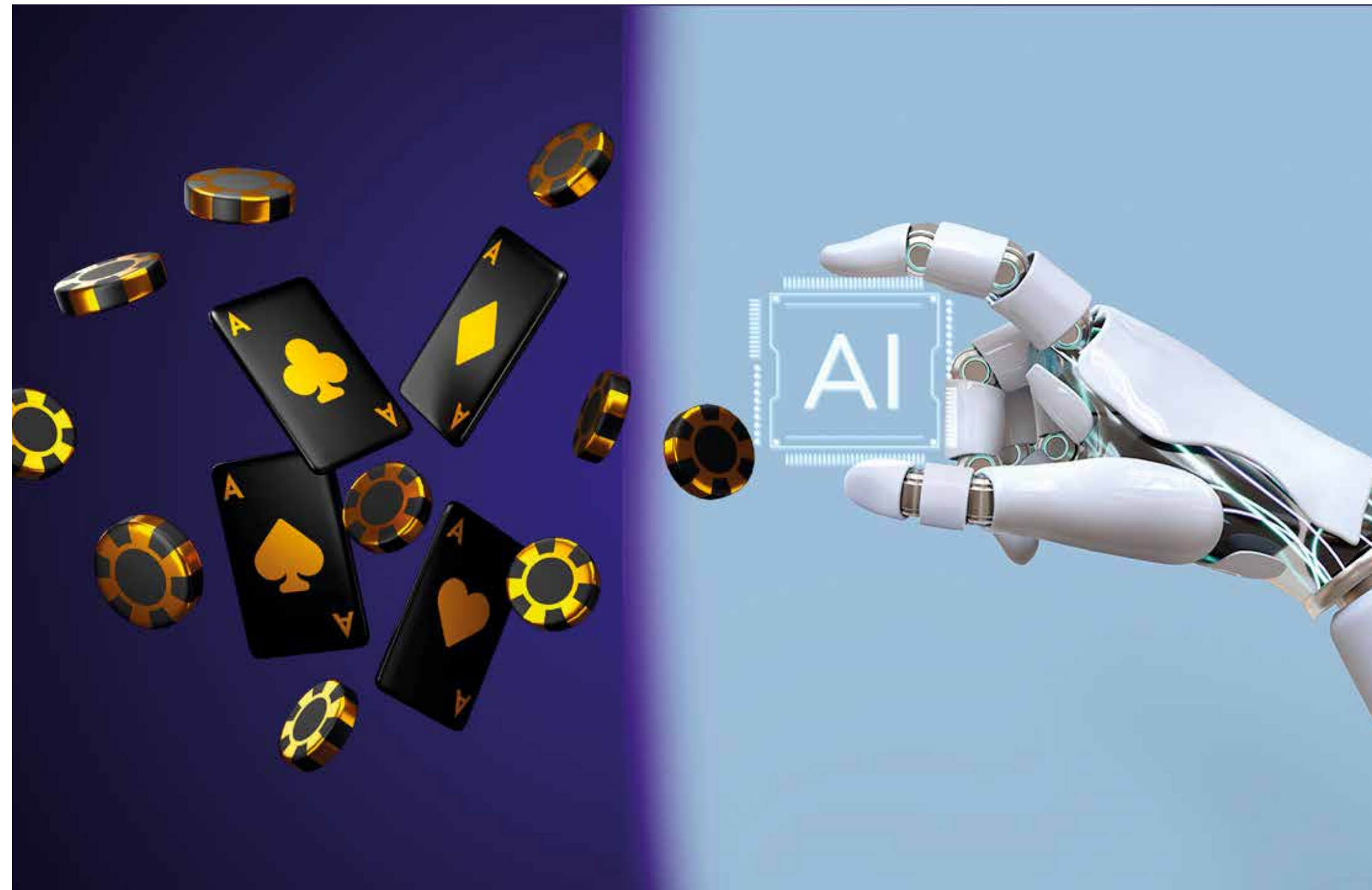
Through the use of machine learning, a discipline that provides comput-

ers with the ability to identify behavioral patterns through algorithms, statistical data can be collected on gaming sessions, player characteristics, as well as the titles most popular with users and the amount of time they invest in them.

Systematically understanding the customer is crucial for generating marketing campaigns targeted at players with similar habits and preferences. For

this reason, it is important for online casino operators to have intelligent platforms capable of analyzing, monitoring, and processing all potentially relevant information related to their consumers.

The use of these new technologies applied in the industry will allow users, through personalized platforms based on their preferences, to experience more fulfilling gaming experiences.



It will also provide the businessperson with relevant data which can be used to tailor specific promotions for each individual customer's desires. For example, if a customer shows a preference for a specific type of slot, AI technology will be used to display specific offers, promotions, and new titles within the same gaming range.

CUSTOMER LOYALTY

Similarly, new technologies have become essential tools for operators when it comes to attracting and retaining customers. Therefore, it's not sur-

»»» **Through chatbots, companies prioritize addressing players' queries and providing solutions through 24/7 support.**

prising that the majority of operators chose to implement player-tracking programs in their online casinos.

When dealing with new players, companies often opt to provide no deposit or registration bonuses, which can be used for betting and winning real money. The only requirement to qualify for this benefit is to create an account on the online gaming platform.

Regarding regular customers, loyalty programs—through software recognizing the player's continuous activity—are designed to reward user preferences. They offer a series of rewards such as deposit bonuses or cashback.

Exclusive bonus campaigns are also available, based on earning points as the player increases their gaming level. With loyalty points, users can purchase free game sessions or convert them into money for future betting opportunities.

Additionally, as part of player tracking strategies, customers who invest more time and money in casino games have access to special tournaments. Loyalty programs also allow players to increase their withdrawal limits, usually applied to daily, weekly, and monthly limits.

24/7 COMMUNICATION

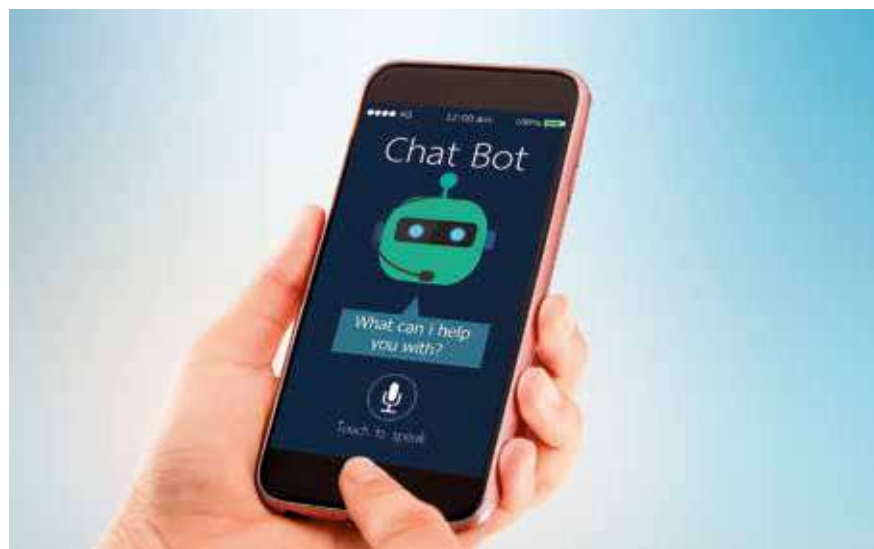
Another significant benefit of AI in online casinos is customer service through chatbots. This type of program combines natural language processing (NLP), used for analyzing people's sentiments, and machine learning (ML), which allows providing quick, concise, and more accurate responses.

Through chatbots, companies prioritize addressing players' queries and offering correct solutions through 24/7 support. Thanks to these reliable and effective communication channels, user experience is enhanced, and the workload of the gaming room staff is reduced. Additionally, they enable seamless interaction by not spending a lot of time between question and answer.

Another way to resolve doubts is through telephone support. When dealing with a complex issue that the bot cannot solve, the program transfers the conversation to an online agent. Us-



TITO system, showcasing advanced payment methods used by new casino players.



Gaming platforms offering real-time chatbot services, facilitating better interaction when resolving queries.

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ers can communicate with casino staff through live chats, also available 24 hours a day, 7 days a week.

It is worth noting that the algorithms used by customer service centers can analyze the query considering the user's gaming history, as well as their preferences and ratings. With the introduction of artificial intelligence in games, the significant problem of delayed or inadequate responses has been eliminated.

PAYMENT METHODS

AI has also changed the way transactions are conducted in gaming rooms, whether in physical establishments or online platforms. For example, many casinos in Latin America have invested in online payment systems such as PayPal and Neteller.

Similarly, they have implemented the use of cryptocurrencies and electronic wallets, which store information from debit or credit cards used for virtual transactions. The use of these payment systems allows transactions to be effective in a shorter time; for instance, within a couple of hours.

In the same vein, we find the cashless system, which allows electronic loading and unloading of credits through magnetic cards. To use them, it is important to identify the start and end of each customer's session, as well as the 4-digit security PIN that the player must have.

On the other hand, modern slot machines are already employing the TITO (Ticket-in, ticket-out) system as a payment method. This mechanism allows cash transactions through tickets with barcodes between the cashier and gaming machines.

How does this system work? The player will insert cash into the slot machine, and when ready to end the game, they will press the cash-out button, and a ticket with the amount of credits obtained will be printed. To restart the game, they just need to insert the ticket into a machine with the TITO system.

OTHER ADVANTAGES OF AI

Artificial intelligence can also change the speed of games in real time, making them more attractive to customers.

It can also modify the difficulty level of progressives based on each user's history and performance, turning it into a constant challenge for the player.

AI can recognize potential problematic gambling behaviors in customers, such as changes in the frequency and amounts of bets. When this happens, AI will send warning messages about the limits of each online room. These measures protect players, and gaming operators comply with responsible gaming guidelines.

In parallel, virtual reality (VR) and augmented reality (AR) have gained a larger foothold in the online casino industry in recent years. These technologies allow players to experience an interactive and realistic game from the comfort of their homes, interacting with other players and navigating through the facilities of a gaming room virtually.

There is no doubt that artificial intelligence and cutting-edge technologies are transforming the casino and gambling industry. Whether traditional casinos or online platforms, it is clear that technology will continue to enhance gaming and player experience.

Insights from 7 slot developers

MARKET SEGMENTATION AND TECHNOLOGICAL ADVANCES: A DIVE INTO GLOBAL SLOT MACHINE DEVELOPMENT

Embark on a journey through the ever-evolving realm of global slot machine innovation with insights from seven major developers and providers. This report delves deep into the intricate tapestry of advancements, hyper-segmentation, seasonality, and the dynamic shift from physical casinos to online platforms, which define a USD 13.4 billion industry by 2030.



The global slot machine market has experienced consistent growth, reaching a value of approximately USD 9.5 billion in 2022 and is anticipated to surge to USD 13.4 billion by 2030. According to Zion Market Research, this trajectory reflects a compound annual growth rate of 4.35% between 2023 and 2030. The impetus behind this expansion is closely linked to the continuous proliferation of casinos on a global scale. Slot machines firmly establish themselves as the foremost contributors to the overall global casino gaming equipment market.

In collaboration with seven major slot manufacturers worldwide and the largest casino operator in the UK, Re-vista CASINO delved into the expansive realm of slot innovation. This report seeks to unravel the intricate landscape of the slot industry, offering valuable insights and analyses from experts in this burgeoning business.

DIVERSE PERSPECTIVES ON THE EVOLUTION OF SLOT DESIGN

The vibrant landscape of slot design innovation stands as a testament to the relentless pursuit of excellence within the gaming industry. David Williams is the Director of Public Affairs at The Rank Group, the parent company behind Grosvenor, the biggest land-based casino operator in Europe with 51 venues



IGT's Whitney Houston branded slot.

in the UK. He provides a nuanced perspective on the UK market's evolution, and notes a paradigm shift toward multi-game dependency, a trend underscored by IGT's groundbreaking USwitch Menu.

Williams affirms: "With the UK being restricted to 20 slot machines in the majority of casino licences, it has created a multi-game dependent market to enable more content variety via a single machine." IGT's USwitch Menu, boasting both Standalone Core and Progressive Products, has witnessed over 50% coin-in growth, eclipsing its progressive-only counterparts.

Thomas Schmalzer, VP of Global Sales at Novomatic, issues a clarion call to operators, urging them to "think big" in the face of a burgeoning iGaming landscape. Novomatic's response to this challenge is the V.I.P. X premium line. Schmalzer paints a vivid picture of the V.I.P. X experience, with offerings like Royal™ 1.85, Dream™ 3.43, and Lounge™ 2.32. These embodiments of luxury gaming feature extra-large screens, integrated sound systems, and an ambiance designed for maximum player immersion. Schmalzer's vision extends to revolutionary multi-player-oriented products, introducing

networked linked progressive jackpots like XTENSION LINK™ and CASH FLOOD™ LINK. He affirms: "Novomatic's portfolio offers the right solution for every requirement."

»»»» **The UK's restrictions on slot machines have catalyzed a demand for variety through a single machine. - Rank's David Williams**

Athanasios "Sakis" Isaakidis, Chief Executive International of Merkur Gaming, accentuates the role of data in shaping their strategies. Operating across Europe, Merkur leverages operator and player data to monitor and evaluate the performance of their developments continually. Isaakidis emphasizes the time-consuming yet indispensable nature of this process, ensuring that Merkur's products continue to evolve with the ever-changing

needs of different player generations.

Eduardo Aching, Vice President of International Gaming Operations at Konami, steers the conversation toward the universal accessibility of content. Konami's focus extends beyond traditional slot games, embracing omni-channel technology. Aching emphasizes the importance of balancing game integrity with adaptation to different mediums, ensuring seamless gameplay experiences. He states: "Konami's SYNK Vision facial recognition technology leverages AI algorithms to identify and address potential harmful behaviors on the gaming floor."

Dubravka Burda, IGT SVP Global Game Studios, unfolds IGT's approach to innovation, emphasizing both incremental and disruptive strategies. IGT's game mechanics, as seen in titles like Ocean Magic and Scarab, have paved the way for subsequent successes like Prosperity Link and Mystery of the Lamp. Burda underscores: "IGT prioritizes feedback from customers, ensuring innovation roadmaps align with their needs."

Michael Lamers, Corporate Product Director of Win Systems, bridges the experiential gap between brick-and-mortar and online gaming. The Sublime slot cabinet and Symphony electronic roulette

epitomize Win Systems' commitment to enhancing player experiences. Lamers elaborates on the Sublime's features, including larger screens, clearer symbols, and uses technology to create a 3D audio environment that makes the listener feel like they are part of the action.

Furthermore, Tjasa Luin, CEO of Alfastreet, explores the dynamics of the electronic table games (ETG) industry, emphasizing the need to cater to evolving player expectations. Alfastreet adapts by linking player stations to live game outcomes, aligning with the enduring popularity of live games in various countries. Luin states: "Alfastreet constantly invests in improving products and introducing new games and features."

NEW DEMANDS FROM OPERATORS AND PLAYERS IN THE WORLD OF SLOT MACHINES

The dialogue shifts to the evolving demands shaping the slot landscape, driven by both operators and players. Novomatic's NOVOVISION™ Casino Management System emerges as a pivotal force, integrating online and land-based operations. Schmalzer outlines NOVOVISION™'s capabilities, introducing biometric technologies and exploring social media-friendly solutions. Operators are presented with new incentives through jackpot solutions and extended configuration options.

Isaakidis highlights Merkur Gaming's use of social media for direct communication with commercial clients. The company's social media efforts convey its ethics, social responsibility, and the latest product offerings. He emphasizes the highest value upheld during social media efforts—the popular Merkur Sun.

For his part, Aching delves into the rise of "slot influencers" in the gaming industry, with Konami adapting its machines to cater to the growing trend. He sheds light on the impact of social media on the gaming industry, accommodating players who document their casino experiences. He adds that Konami's commitment to player safety is evident in SYNK Vision's facial recognition technology.

The Alfastreet CEO underlines the

importance of understanding diverse market needs, introducing the Verso cabinet designed for enhanced ergonomics, visibility and an adjustable monitor angle.

SLOT THEMES ACROSS REGIONS AND CULTURES

The intricate tapestry of slot themes unfolds against the backdrop of diverse regional preferences. David Williams of The Rank Group anticipates a move towards more single game products, more portrait and smaller products, more frequent pay-out progressive banks. He notes the 243 Ways and All Ways Pays format is also growing within the UK, and foresees a surge in Asian themes: "This is largely due to the production of them for other markets like Prosperity Link, whereas Egyptian and Fishing themes have been strong for the last few years and are continuing to grow."

Novomatic's Thomas Schmalzer recognizes major differences in regional preferences between Europe, Asia, and the Americas, and Merkur's Isaakidis stresses the need to view the global market from different perspectives. Merkur tailors its development process to diverse cultural needs and trends, acknowledging variations in available time and budget for entertainment. As for Dubravka Burda, she emphasizes IGT's global mindset and local focus, with in-market teams ensuring games resonate with local preferences.

Eduardo Aching from Konami delves into cultural considerations impacting game success. "Different cultures can vary on what design elements symbolize good luck or bad luck," Aching notes. However, certain elements like gold, fire, dragons, multipliers, or fruit are universally appealing to players around the world, irrespective of cultural heritage.

Michael Lamers, Corporate Product Director at Win Systems, identifies two distinct design elements permeating global markets: Chinese-themed games and Hold & Spin games. Win Systems strategically plans and designs its product roadmap to leverage and address these segments. Lamers notes: "Players are looking for more value in their casino

visits and want to avoid games which burn them out."

IMPACT OF LICENSED GAMES ON SLOT MACHINE DESIGN

In the world of slot design, the role of licensed games is a subject of ongoing debate. Athanasios "Sakis" Isaakidis from Merkur posits a cautious perspective, questioning whether the automatic association of licensed games with success and improved financial outcomes holds true. He emphasizes their commitment to delivering slot designs that prioritize ergonomic player positions and create a pleasant gaming atmosphere, contending that the addi-



tional cost of licensed games might not always resonate with players.

Contrastingly, Dubravka Burda, IGT SVP Global Game Studios, extols the integral role licensed games play in IGT's portfolio, emphasizing their enduring significance. Burda points to IGT's pioneering efforts with Wheel of Fortune slots over 25 years ago and recent successes like Whitney Houston slots, highlighting their commitment to omnichannel licensing rights. However, she acknowledges a market shift, with suppliers reducing their investment in licensed games: "That is not to say we are less committed to this segment; we just found that it was a bit oversaturated."

Konami's Eduardo Aching takes a pragmatic stance, focusing on the balance between entertainment value and long-term operational value for casinos. While Konami participates in licensed brands selectively, Aching underscores the success derived from original brands like China Shores and All Aboard. For this company, the emphasis lies on developing around proven brands that resonate with slot players across demographics.

Michael Lamers, from Win Systems, unveils a strategic approach, opting to concentrate on delivering value for money to customers. He contends that, by focusing on players who seek experiences driven by play style rather than the allure

of licensed games, Win Systems aims to deliver games that encourage sustained player engagement. For Lamers, the return on investment for operators takes precedence in their market approach.

»»»» **"Players are looking for more value in their casino visits and want to avoid games which burn them out."**
- Michael Lamers, Win Systems

Alessia Del Bianco is IP Legal Advisor at Play'n GO, a B2B leading online slots provider in the casino industry. She delves into the delicate dance of working with external intellectual properties. She highlights the goal of enhancing brand awareness and outreach through collaborations like Hugo Legacy, celebrating the 30th anniversary of the popular television franchise. Del Bianco stresses the critical nature of the relationship between Play'n GO and IP holders, emphasizing the need for a deep understanding of the IP and a collaborative effort in bringing it to life in the gaming world.

HYPER-SEGMENTATION AND SEASONALITY IN SLOT MANUFACTURING

In the ever-evolving landscape of slot manufacturing, the concept of hyper-segmentation and seasonality emerges as a pivotal consideration. David Williams, Director of Public Affairs at The Rank Group, sheds light on the role of the Menu UI and Platform in delivering tailored gaming experiences. Williams illustrates how the monthly content release roadmap incorporates data events and aligns with seasonal themes such as Chinese New Year, St. Patrick's Day, and Christmas. This integration transforms slot games into a dynamic element of the broader venue activity, enhancing the overall customer experience.

Thomas Schmalzer, Novomatic, delineates the contrasting delivery times in land-based and online segments. He emphasizes the seasonal flexibility in markets like the UK, enabled by NOVOMATIC Server Supported Gaming (NSSG). Novomatic strategically aligns game launches with seasonal festivities, introducing themed games like CASH CONNECTION™ - Candelas de los Muertos™ and THUNDER CASH™ GOLD - Irish Grace™ for Mexican Day of the Dead and St. Patrick's Day, respectively. The online segment, represented by Greentube, extends this seasonality with releases like A Christmas Full of Wilds™.

Dubravka Burda from IGT underlines the pragmatic approach toward seasonal slot games, deeming them most prudent for iGaming partners. IGT PlayDigital has thrived in this space, offering games tailored for Christmas, Valentine's Day, and St. Patrick's Day. Additionally, land-based game designers incorporate seasonal celebrations into content through solutions like TournX-treme, enabling video slot tournaments with season-specific themes.

Eduardo Aching of Konami, however, takes a different stance, citing the substantial investment required for developing, testing, and distributing regulated slot games: "The efforts of our in-house developers is better spent on creating games with enduring business value to customers, through any season."

As for Play'n GO's Alessia Del Bianco, she addresses the increasing fragmentation of audiences, drawing parallels with how major media players customize experiences for individual users. She underscores Play'n GO's focus on building diverse portfolios, citing the example of games based on NSYNC and Kiss, which cater to distinct fan bases. "Different geographies of course have certain preferences, but it is ultimately about building great products that resonate with individuals, not entire regions," she remarks.

THE SHIFT FROM PHYSICAL CASINOS TO ONLINE PLATFORMS IN SLOT MACHINES

As the digital era reshapes the gaming landscape, the shift from physical casinos to online platforms becomes a focal point. David Williams from The Rank Group emphasizes the seamless integration between online and retail businesses, offering players a unified experience: "This allows them to use the single wallet to transfer funds between the businesses, and provide slot games and the ability to play roulette wheels online from the venues that they visit in-person." The alignment of monthly slot content roadmaps increases awareness of games available in both environments, and popular online mechanics like Megaways are now being introduced to slot products in Grosvenor clubs.

Thomas Schmalzer of Novomatic dismisses the notion of online gaming as a threat to land-based casinos, viewing it as an opportunity for growth in both segments. The synergy between land-based and online offerings allows for a comprehensive 360-degree approach, recognizing the distinct advantages each platform brings to the table. "Consequently, the preferences of each individual player and market regulations determine the answer to the famous 'land-based casinos vs. online casinos' debate, he explains. The integration of land-based content online and vice versa represents a strategic approach to cater to diverse player preferences.

Athanasios "Sakis" Isaakidis of

Merkur Gaming positions themselves as partners to the gaming industry, adept at navigating the complexities of omnichannel solutions. Operating across all segments, Merkur Gaming acknowledges the importance of adapting to industry shifts and transitions, demonstrating a commitment to flexibility and resilience.

In addition, Eduardo Aching from Konami underscores the evolving consumer desire to engage with brands through both online and brick-and-mortar channels. Konami's Remote Gaming Server (RGS) serves as a bridge, delivering popular Konami slot games to online players while maintaining the familiarity of traditional land-based slots. The omnichannel strategy emerges as a pivotal element in Konami's vision for the future.

Michael Lamers of Win Systems anticipates a continued blurring of lines between content for land-based and online casinos. Recognizing the migration of games between these spaces, Lamers emphasizes the importance of promptly making hit games available in both realms. The evolving focus on player retention in the online space aligns with the longstanding priorities of land-based developers.

Saam Hafezi, Regional Director US at Play'n GO, reframes the narrative, emphasizing the symbiotic relationship between physical and online casinos. The accessibility of both platforms provides players with diverse options, and Hafezi sees this as an opportunity for collaboration. Play'n GO's foray into introducing the world's most popular online slot, Book of Dead, into a retail environment exemplifies a successful convergence of the two worlds: "We struck a deal with William Hill in the UK which saw Book of Dead, the world's most popular online slot, make its debut in a retail environment. The game is now available on fixed-odds betting terminals in William Hill retail shops, and the early response from players has been extremely positive."

WHAT'S NEXT FOR SLOTS

The slot machine industry is currently experiencing a fascinating phase of innovation and adaptation. From IGT's pioneering approach to licensed games to Novomatic's expansive vi-

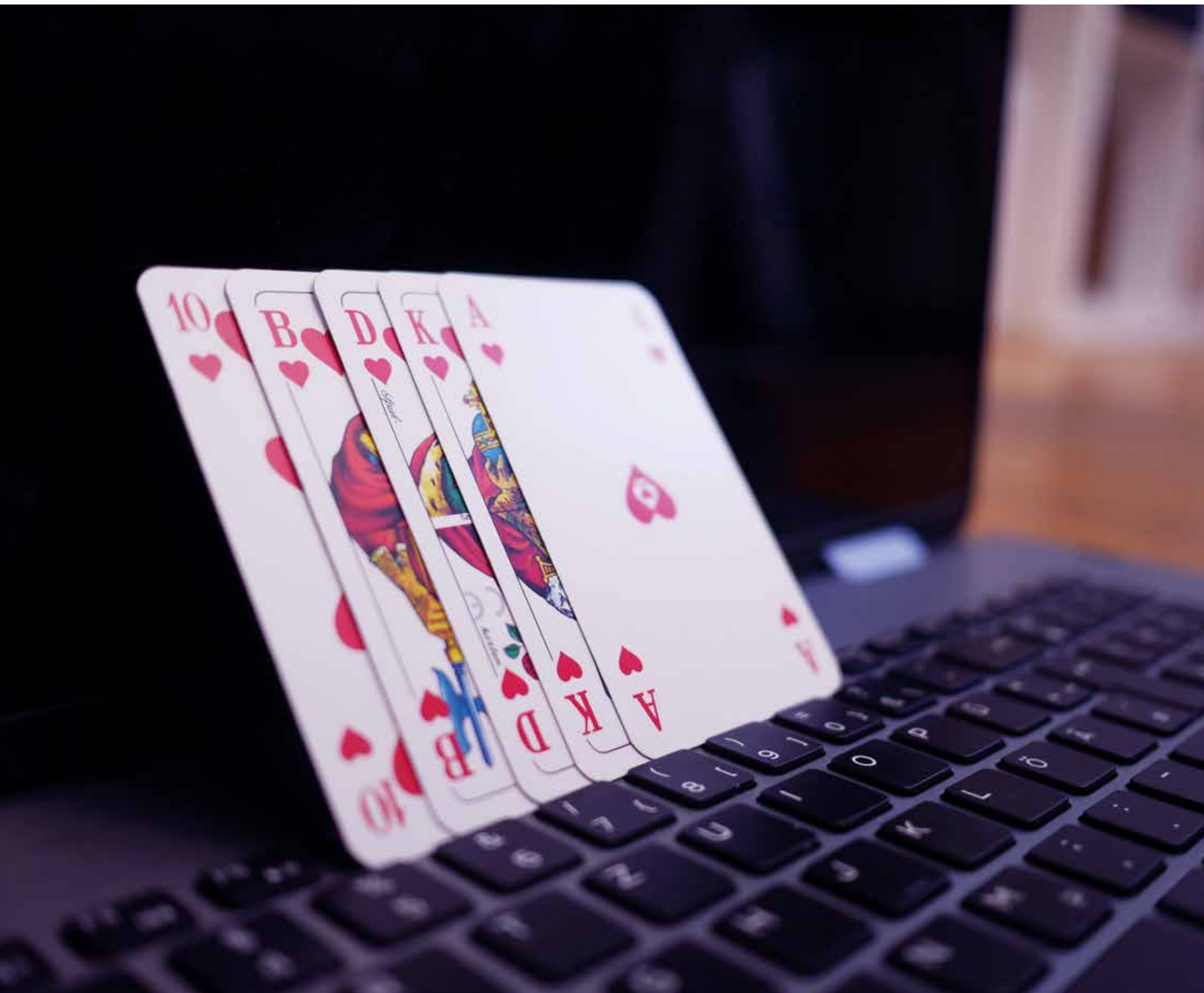


sion with the V.I.P. X premium line, each player in this dynamic scenario is contributing to the evolution of gaming. The need to balance game offerings, seasonality, and omnichannel accessibility is driving significant changes.

As the industry moves towards the future, collaboration between online platforms and physical casinos emerges as a strategic opportunity, redefining the player experience. In this context, a profound understanding of regional preferences, the implementation of innovative technologies, and the creation of engaging content stand out as the keys to continued success.



IGT's Prosperity Link at Grosvenor Casinos.



30 years since the first online casino

WHAT CHANGES IS THE ONLINE GAMBLING INDUSTRY GOING THROUGH?

The year 2024 will mark three decades since the birth of “The Gaming Club,” considered the world’s first online casino site. Driven by Microgaming, a company established in the same year, the site’s games didn’t resemble the sophisticated titles that exist now. However, it marked a historic milestone and ushered in one of the most thriving segments of today’s economy. An overview of the journey over these years and projections from experts for the future.

How was “The Gaming Club”? The Gaming Club is an online gaming site launched in 1994, considered as the first online casino in history. It was created by Microgaming, a company that is still relevant in the gaming software sector.

Although still active, the site has changed a lot. In its early days, The Gaming Club offered players the opportunity to experience blackjack, roulette, and slot machines. These were rudimentary interfaces and simple games. Additionally, internet connections were considerably slower, resulting in long downloads and delays while playing (lagging).

Today, the same online casino has over 500 games with various features, thematic promotions, a loyalty program with bonus credits, and a user interface adapted to various mobile device

screens, according to data from its own website. This means that first online casino had little to do with modern casinos, but it set a precedent and marked the beginning of a new era of entertainment.

THE CHALLENGE OF PAYMENTS IN ‘90S ONLINE CASINOS

In addition to technical difficulties, a central point for the development of online casinos was obtaining payment methods. In other words, games arrived before online payment gateways became popular for recurrent operations.

Anyone who had Internet access in the ‘90s or early 2000s knows that very few dared to make a bank transfer over the Internet. This was a challenge for early online casinos because no one dared to give credit card details to a website. So, how did we move from there to the current



Obtaining online payments was one of the challenges at the beginning of the millennium.

situation, where we can make purchases of thousands of dollars with just one click?

The development began with a few pioneers. For example, the company founded by four entrepreneurs under the name Confinity in 1998. In March 2000, Confinity merged with X.com, an online banking company founded by Elon Musk. After the merger, it acquired the name we know now: PayPal.

With an aggressive campaign that included free credit in dollars for signing up, PayPal had an astronomical surge. People started to dare to spend dollars that the platform had given them, and the rest is history: online payments gained followers. As a result, the company grew between 7% and 10% per day from January to March 2000. Some of the first casinos operated exclusively with PayPal as a payment method. Over the years, many competitors emerged in the financial sector, and payment gateways expanded, both in gaming sites and in other sectors of the goods and services trade. Today, it is even possible to make payments using devices such as mobile phones or digi-

tal watches, or even carry out transactions in cryptocurrencies.

»»» In addition to technical difficulties, a central point for the development of online casinos was obtaining electronic payments.

HOW DID THE INDUSTRY GROW IN LATIN AMERICA?

As reported by the newspaper Clarín in a 2001 edition, the first casino in the region opened up a year earlier in the Argentine province of Formosa. Operated by the Worest group, "CasinoSur.com" offered different options for roulette, baccarat, blackjack, poker, dice, and online slot machines.

Casino Sur was followed by local and international operators who settled in al-

most all regions of Latin America. That said, summarizing the evolution of the sector in Latin America is a complex task, as there have been substantial changes in recent years related to regulation, the creation of specific games for each market, designs for new devices, expanded connectivity, and much more.

As Paulina Hovar, a specialist in programming for Latin America at BGaming, pointed out in an interview with Revista CASINO: "Difficulties can sometimes arise in the network creation process due to the existence of regional, cultural, or linguistic differences."

With significant differences, online casinos advanced in almost all of Latin America. Many of these sites combined with sportsbooks to offer bettors a comprehensive service. The importance of football in countries like Argentina, Chile, Colombia, or Mexico makes sports offerings significant for the local market.

A PRESENT MARKED BY REGULATION

The coronavirus pandemic accelerated a change that had been gradually

occurring in the sector. During periods of social isolation, land-based casinos remained closed, and online betting sites saw an increase in the number of visits and players.

Governments, driven by the search for new sources of revenue in a stalled economy, hastened regulatory measures on the sector. In Argentina, for example, key districts in the country such as the capital city and the provinces of Buenos Aires, Santa Fe and Córdoba issued the first operating licenses between 2020 and 2021.

In Peru, on the other hand, in October of last year, the Regulation of Law No. 31,557 modified by Law No. 31,806, which regulates remote gaming and sports betting, was finally approved.

We asked Ana María Padrós Alvarez, General Manager of Team Seven, to analyze the current situation in her country. She asserts that "on a market level, the entry of new operators and the exit of some who are not interested or do not obtain a license are anticipated." In other words, she anticipates significant changes in the gaming sector in Peru.

Meanwhile, Chile and Brazil continue to seek definitive regulation for the online gaming segment. While legislation in Chile still needs to be discussed in Congress, Brazil celebrates the enactment of Law 14,790. The text regulates online gaming and sports betting, two forms of gambling with millions of enthusiasts in the country.

Wesley Cardia, President of the National Association of Games and Lotteries (ANJL) of Brazil, clarified that it is difficult to predict the scope of the law because no one knows the exact size of the Brazilian market. However, in an interview with Revista CASINO, he assured that "the Brazilians' taste for betting is a reality that tends to grow even more. Therefore, we have a quite favorable scenario in various aspects for companies that wish to establish themselves in the country and be part of this large market."

CURRENT SCENARIO: WHAT TRENDS PREVAIL IN THE INDUSTRY RIGHT NOW?

If we were to talk about two major trends running through the casino universe, we could mention regulatory

changes, especially those linked to advertising restrictions in different regions; and changes in technology, with artificial intelligence being one of the most disruptive advances in recent years.

»»» Ana María Padrós Alvarez, General Manager of Team Seven: "In terms of casino content, so-called 'quick games' will attract new players."

"In terms of casino content, so-called 'fast games' will attract new players," Padrós Álvarez foresees. Fast games are designed for swift engagement, demanding minimal decision-making involvement from players, and they do not require any special skill. Online casinos feature speedy options like crash games and instant-win games, where outcomes rely entirely on chance. "In my opinion, there is a lot of growth potential in the online casino. The overall offering in this vertical will tend to increase," she adds.

"As for sports betting, 2024 has a much richer calendar than the previous year, so I have to assume that the re-

sults in betting volume and the number of players will be better for operators," further comments the expert.

AROUND THE CORNER: WHAT TO EXPECT IN THE COMING YEARS

According to a study by the consulting firm Mordor Intelligence, it is expected that the online gambling market will experience potential growth from USD 60.63 billion last year to USD 103 billion in 2028. This implies a compound annual growth rate of 11.3%.

Among the trends detected by the consulting company is the increasing offering of instant games based on virtual draws or 'scratch and win'. This growth is particularly observed in the European market, where most traditional online gaming modalities of casinos have already been consolidated for years.

Although changes vary according to the geographical latitude we refer to, another transformation that markets are undergoing is the increase in smartphone penetration. This implies the creation of a mobile-first user experience, i.e., games designed for mobile devices rather than computers.

Finally, technological advances such as artificial intelligence and virtual, augmented, and mixed reality will play a constantly evolving and changing role that future casinos will face.



The Gaming Club is an online gaming site launched in 1994, considered the first online casino in history.

Notes, Algorithms, and “Hidden Gems”

CHANGES IN GOOGLE THAT WILL IMPACT ONLINE CASINO CONTENT IN 2024

The growth of posts created with the help of AI is having an impact on how Google classifies pages. At the same time, the search engine has shed light on a change it has been quietly implementing for some months. What strategies will iGaming operators use this year?

SEO (Search Engine Optimization) is a crucial tool for any business, but it's particularly important in the B2C sector. Online casinos, sports betting sites, and affiliates rely on online searches to attract potential customers. In 2023, a year marked by the emergence of large-scale generative artificial intelligence, digital marketing specialists have warned of potential changes that could potentially impact some major players in the market.

TECHNICAL SEO: BUILDING THE FOUNDATION

Firstly, it's essential to clarify that SEO is a marketing sector dedicated to search engine optimization, generally focusing on Google rankings.

If we were to separate SEO into

two parts, one would be content, and the other would be technical SEO. In the first one, we can encompass actions such as creating posts, videos, etc., optimized for search through key-

»»» According to data collected until August 2022 by “Think with Google,” 27% of the world’s online population is using voice search.

words. In the technical part, actions include actively helping Google find the page, such as submitting files (robots.txt and sitemap), and improvements that contribute to site ranking and loading speed.

Maja Jovancevic works at one of the leading agencies in the iGaming and affiliate market, GiG Media. As the Head of SEO, she understands the importance of optimization on pages for operators and affiliates in the online gaming sector. “The most frequent reason affiliates end up outranking operators for their own brand name is the technical er-

rors on the website itself. We don't see it as much with established operators who have invested in technical SEO, but rather with newer operators in the industry. They launch their domain and block crawling in robots.txt or launch it with a sitewide noindex tag,” she told Revista CASINO.

“It doesn't really take a lot to send the developers a checklist of the requirements for a well-launched website, and you can get any tech SEO to prepare one for you. It's definitely worth the investment because in

Google's eyes, you are the most relevant result for your brand name, and those rankings are yours by default,” she emphasized.

NOTES AND “HIDDEN GEMS”: WHAT ARE THEY AND WHAT DO THEY SERVE FOR?

In 2023, the terms “notes” and “hidden gems” were frequently discussed among SEO specialists and content creators for search engines. These are two changes implemented by the Silicon Valley search engine that

have kept many optimization professionals on their toes and will continue to have an impact in 2024.

To begin, “notes” are a Google experiment that is not yet widely available, but may be soon. They are a kind of comments that other people can make about the site. They appear as a button below the pages listed in each search. They do not affect the ranking of the website, but they allow the user to learn some information about the site before entering it.

On the other hand, the term “hidden gems” refers to standout content.

It is a “treasure” for users, hence its name. In 2023, Google modified the algorithm to highlight this high-quality content and penalize vague or superficial content that is not useful to users.

This algorithm change can become an opportunity for smaller sites producing high-quality content in blogs following the E-E-A-T model (Experience, Expertise, Authoritativeness, Trustworthiness).

Quality content is characterized by its depth, originality, and level of detail. For example, an article about Frank Sinatra's anecdotes in Las Vegas



promises higher quality than one about “5 celebrities who enjoy casinos.”

VOICE CONTROL: TWO STRATEGIES TO LEVERAGE THIS TREND

Voice search is another of the fastest-growing trends in the last year. According to information published by “Think with Google,” 27% of the world’s online population is using voice search to ask Google questions (data collected until August 2022).

Some ways to prepare for this trend may include using longer keywords, for example, “How to find a safe online casino in Peru.” This is because voice searches tend to be more conversational and often come in the form of complete questions. That is, using keywords and content oriented toward natural questions and phrases, rather than shorter and fragmented search terms.

On the other hand, since most voice searches are conducted on mobile devices, it is essential to have a website that is compatible, optimized, and easy to use on these devices.

ARTIFICIAL INTELLIGENCE: DOES IT HELP WITH POSITIONING OR NOT?

A debate that promises to continue in 2024 is the influence of artificial intelligence on SEO. Some professionals claim that content with a high percentage of AI does not rank the same way as human-generated content. However, every day we see companies flourishing that fill their blogs with content generated 100% by this technology.

Maja Jovancevic stated: “We from the SEO field are not 100% comfortable with AI. Don’t get me wrong, AI content can rank and it does rank, but we need to make sure it is actually helpful to the user, and the guidelines on that are vague; otherwise, we risk losing those AI rankings in an update.”

The SEO expert ventured to give her future projections. “My prediction is that content creation boosted by AI will quadruple in the next few years, and Google will need to find a way to crawl and index that content



This is how “notes” on Google would look if they were implemented.

without skyrocketing server and database costs. That might mean that the bar for content indexation is going to be high, and your pages might not be crawled by Google too often. I have already seen it with newer websites outside the industry; the creators are complaining that Google is not indexing their website even after a five-month period. To me, this is something we need to prepare for in the industry,” Jovancevic emphasized.

SEGMENTATION FOR GOOD CONTENT CREATION

Beyond the importance of the technical aspects of SEO, another central aspect is understanding the people who will read the content so that it is useful for them. There is no universal rule regarding the level of technicality or difficulty of the text, as long as it is helpful to the people who will read it.

Additionally, it should be adapted to the idioms and cultural differences of each country, which is crucial for casinos, operators, and providers. Monica Umaña, Head of Operations for Latam at Evolution, one of the leading developers of Live Casino software and technology, summarized this in one of the panels at SBC Summit. “The cultural and language differences between for example Brazil, Chile, Peru or Mexico are unique and

need to be specially tailored to fit each individual market, so this is a major challenge we are facing. It’s not the same how you reach Brazil, how you reach Chile, how you reach Peru, or how you reach Mexico. This is one of the biggest challenges we have so far,” she said.

FOCUS ON THE END USER, NOT ON THE ALGORITHMS

John Mueller, Search Advocate for Google’s help center and blog, summarized the importance of content quality with the following statement: “Sometimes I come across people who say: ‘I feel like I need to create this page’ in theory, for users. But then, when I do the research on the results, I see that another 9,000 people also made this page. Is it really adding value to the Internet?”

In other words, Google’s focus is on value. In the casino sector, this translates into creating content that is useful for players, even potential ones. According to the search engine’s guidelines, this means that each publication should be easy or enjoyable to read, with language appropriate for the gaming audience, and not neglecting on-page SEO guidelines. In summary, it’s about adding value to gamblers and eliminating noise, considering the particularities of each audience and geographic location.



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Tech Pioneer Explores Gaming's Future

VIGEN BADALYAN, SOFTCONSTRUCT: “THE FUTURE OF ADVANCED BUSINESS LIES IN THE DYNAMIC REALM OF THE METAVERSE”

The visionary mind behind over 40 leading tech brands, notably BetConstruct, unfolds his journey, triumphs, and anticipates plans for different markets. He also shares insights into the challenges and innovations defining the future of the gaming industry, via the transformative power of technologies like AI and blockchain.

In the dynamic realm of gaming technology, Vigen Badalyan stands as an entrepreneurial force, co-founder of SoftConstruct and the visionary behind over 40 leading tech brands. An expert in various industries, including gaming, website development, data solutions and crypto, he has founded Fastex, Hoory, Ucraft, Vbet, PandaMR, and FeedConstruct, among others. With an unwavering commitment to innovation, he has propelled BetConstruct into a prominent position, pioneering gaming solutions for online and physical venues.

As we delve into this exclusive interview with Vigen, his insights navigate the swiftly evolving tech landscape, as he sheds light on the challenges and triumphs, showcasing a commitment to perpetual learning and a relentless pursuit of customer-centric innovation.

How did your journey in the gaming industry begin? What particularly drew you to this sector?

When addressing this question, I would highlight that my journey in the gaming industry began with a commitment to innovation and the creation of cutting-edge solutions. The dynamic and ever-evolving nature of this sector has always fascinated me, presenting opportunities to integrate various technologies for an enhanced user experience. Due to my passion for tech-

nology and my creative aspirations, I founded SoftConstruct and its range of brands. Among them, BetConstruct stands out as a leading provider of gaming solutions for both online and physical venues.

As an experienced professional, what would you consider the most significant challenge you have faced in your career, and how did you overcome it?

One of the noteworthy challenges I've encountered in my career involves navigating the swiftly evolving technology landscape within the gaming industry. Staying current with the latest trends, meeting customer expectations, and outpacing competitors necessitates perpetual innovation and adaptability.

Addressing this challenge requires my commitment to ongoing learning and development, keeping a finger on the pulse of industry trends, and cultivating a culture of innovation within our company. It also involves a keen understanding of customer needs and preferences, leveraging this insight to propel the creation of new products and services.

BetConstruct takes centre stage over the 40 technology brands across various industries that you have created. How do you foster synergies among them, within ef-

iciently shared resources and research between them, especially in iGaming?

Fostering synergy among our technology brands, especially in iGaming, is a comprehensive effort. Our strategy involves consolidating resources for shared research and development, utilising cross-promotion to engage customers, collaborating on shared services for cost savings and efficiency, engaging in joint projects for innovation, learning from each other's experiences, and sharing technology and software. This approach, customised for each brand's needs, aligns with our overall strategic objectives, creating an ecosystem that maximises efficiency and innovation across our diverse portfolio and solidifies our leadership in the technology industry.

It is crucial for operators to adapt and appeal to the preferences of younger generations while also keeping a balance to cater to the older ones. How does your company effectively address both ends of the spectrum? What are the new demands from GenZ players and how do you keep track of them, as they seem to be constantly changing?

Effectively addressing diverse generational preferences in iGaming is one of the key focuses at BetConstruct. We



conduct thorough research and user surveys to understand each group's distinct preferences. For older generations valuing simplicity, we offer intuitive interfaces and classic games. Younger players, especially Gen Z, seeking innovation, benefit from our investment in new games.

Understanding that older generations may be less familiar with technology, we provide educational resources, enhancing accessibility and enjoyment. These strategies create an inclusive iGaming environment that caters effectively to the diverse needs of all generations in our player base.

In 2020, amid the pandemic outbreak, esports were trending more than ever, with a successful transition of traditional sports bettors into e-bettors. What progress have you made helping land business owners going online in the last three years? And how do you assess the current status and potential of these transition trends?

In the past three years, we've significantly assisted land-based businesses in transitioning online. Our Sportsbook service, offering 24/7 customisation, flexible pricing, and direct partner communication, has played a key role. It provides individualised customer approaches, alert generation, behaviour pattern monitoring, and personalized restrictions.

Regarding esports, our coverage has

expanded to over 22 competitive video games, meeting about 90% of public match demand. This growth in esports betting is evident, with up to 12,000 matches monthly.

The ongoing transition trend looks promising, driven by the pandemic's impact on accelerating the shift to online betting. We anticipate sustained growth even as the world recovers. The potential is substantial, especially as more traditional sports bettors embrace e-betting. Our commitment is to continually innovate, offering tools and services to support this transition and ensure the success of our online partners.

Can eSports and land-based casino companies find common ground for synergistic business ventures? How could BetConstruct facilitate this, especially considering recent announcements like the land-based integration of games from providers Golden Race, Creedroomz, and Pascal Gaming? Could your land-based vertical be expanded in the short or mid-term, or that is not on the roadmap for now?

Yes, eSports and land-based casino companies can collaborate for mutual benefit. BetConstruct can facilitate this by integrating eSports into land-based casinos and setting up eSports arenas

for competitions. Additionally, providing technology for betting on eSports and coordinating joint marketing efforts can attract a broader audience.

Recent announcements, like integrating games from Creedroomz and Pascal Gaming into land-based casinos, showcase BetConstruct's commitment to fostering synergies in the gaming industry.

While specific plans for expanding the land-based vertical aren't disclosed, BetConstruct is open to growth opportunities that align with customer needs and market trends in the short or mid-term.

On BetConstruct's website, we can find Vigen Badalyan's AI platform as "the sole CEO who is readily available for chat 24/7." How is SoftConstruct evolving its research and investment in AI technology?

As the development of my AI progresses day by day, I envision a future where it transforms into a highly efficient and indispensable assistant. The seamless interaction between us will allow me to pose questions, and in response, the AI will effortlessly retrieve and provide me with pertinent information, acting as a reliable memory aid. This holds paramount significance not only in the context of gathering fundamental individual knowledge but also in propelling our business forward by significantly reducing the time

spent on extensive research. The continuous refinement and enhancement of the AI field through our persistent efforts also carry substantial benefits for our gaming partners. By embracing AI technology, we aim to streamline processes and operations, enabling our partners to save valuable time and effort resources.

With the launch of iGaming Bot for Telegram, what are the initial results and feedback? How do you foresee the integration of casinos into messenger services impacting the iGaming industry in the next few years, and in your business in particular?

The launch of iGaming Bot for Telegram has yielded promising initial results and garnered positive feedback. This innovative tool serves as a powerful means to attract new customers, expanding our user base. iGaming Bot brings popular iGaming features directly to the fingertips of players. With a diverse array of thrilling slot games catering to various tastes, the bot enhances the overall gaming experience. Its cutting-edge functionality includes streamlined processes for deposits and withdrawals, efficient account and payment method verification, and round-the-clock live support, all presented within the familiar interface of Telegram. iGaming Bot emerges as the ultimate gateway to convenience and entertainment, fostering a secure and responsible gaming environment for players worldwide.

Building on the success of the iGaming Bot, we have developed a new messenger app named YO, set to be available to everyone soon.

BetConstruct has recently launched BetChain, its new cryptocurrency-oriented iGaming platform, and also introduced DECA, a new blockchain-based casino platform. What progress has been made to bring the benefits of web3 to game players and partners? What steps are planned for the future?

BetConstruct has recently achieved a significant milestone with the launch of BetChain and DECA, embodying a

strategic push to leverage Web3 benefits for both players and partners. BetChain, serving as a cryptocurrency-centric iGaming platform, facilitates secure and transparent transactions through various cryptocurrencies. This not only ensures a robust gaming experience but also extends accessibility globally, particularly in regions where conventional banking infrastructure is limited.

DECA, a pioneering blockchain-based casino platform, utilises FastChannels technology and the Ethereum network to establish a secure and transparent gaming ecosystem. Its innovative two-layer architecture facilitates swift and secure transactions between users and the casino backend, resulting in a seamless user experience. Moreover, DECA stands out for its ability to provide faster transactions and lower fees on the blockchain, enhancing cost-effectiveness for players.

In the future, BetConstruct will remain steadfast in its commitment to innovation. This could involve enhancing platform security, expanding supported cryptocurrencies, and exploring more blockchain applications in the iGaming industry.

Following iGB Live! in the Metaverse by BetConstruct, did this event meet your expectations? Do you anticipate more industry events moving in this direction? Do you have plans to enhance

development and investment in Metaverse casinos?

We are excited about the reception of iGB Live! in the Metaverse, and it has exceeded our expectations. We foresee a growing trend in the industry with more events embracing the Metaverse concept. To stay at the forefront of this innovation, we have committed a fund of 10,000,000 FTN towards advancing artificial intelligence, FastexVerse, and our Bahamut blockchain. This investment reflects our strong belief that the future of advanced business lies in the dynamic realm of the Metaverse.

In July 2023 BetConstruct obtained a sports betting licence in the Netherlands, what are the results of this endeavour? What other growth opportunities do you foresee in the European market?

In July 2023, BetConstruct achieved a major milestone by securing a sports betting license in the Netherlands, along with licenses in Germany, Greece, Denmark, Sweden, and the Netherlands for remote games of chance. This strategic move has significantly expanded our operational reach, enabling entry into new markets.

Beyond the Netherlands, BetConstruct's success in obtaining licenses from key European countries demonstrates a commitment to regulatory compliance and market access.





Looking forward, the European market holds promising growth opportunities for BetConstruct, with a specific focus on Latin America (LatAm), which garnered special attention last year. Recognised as a substantial and lucrative market, Latin America presents abundant prospects for BetConstruct's continued expansion and success in the years to come.

Brazil is poised to legalize sports betting and online casinos, what is your marketing strategy for this huge new market, and market opportunities in other regions?

As Brazil approaches the legalisation of sports betting and online casinos, we're seizing a substantial growth opportunity. Our strategy involves in-depth market research, localisation of offerings to match preferences, establishing local partnerships, promoting responsible gaming, and ensuring strict regulatory compliance. We're also actively exploring opportunities in other regions, evaluating legal environments, market potential, and local player preferences to drive expansion.

What progress has your company made in the US sports betting marketing over the past two years; have you achieved your goals? What strategies and new goals are in place to stay com-

petitive and capitalize on these emerging opportunities?

Over the past two years, the company has made significant strides in this area, including obtaining necessary licences and forming strategic partnerships.

One of the key strategies BetConstruct has been using to stay competitive is to offer a comprehensive and customisable sports betting solution that caters to the specific needs of the US market. This includes offering betting on popular US sports, integrating with local payment methods, and ensuring compliance with all local regulations.

In terms of future goals, BetConstruct aims to continue expanding its footprint in the US market. This includes seeking out new partnerships, further customising its offerings to cater to the preferences of US players, and staying on top of regulatory changes to ensure compliance.

BetConstruct also recognises the importance of innovation in staying competitive. As such, the company is continually investing in the development of new and innovative features for its sports betting platform. This includes features that enhance the user experience, improve the efficiency of operations for operators, and ensure the integrity of the betting process.

The future of gaming expansion within the UAE is looking promis-

ing. How big do you foresee this market becoming in the next few years? How does SoftConstruct plan to leverage its established position as a competitive advantage in this evolving landscape?

The future of gaming expansion in the UAE holds immense promise, with significant growth anticipated in the next few years. SoftConstruct is strategically positioned to leverage its established standing as a competitive advantage in this evolving landscape.

By understanding local dynamics and staying abreast of technological advancements, SoftConstruct aims to introduce tailored gaming solutions that resonate with the unique preferences of the UAE audience. The company's commitment to innovation, proactive adaptation, and strategic partnerships within the local gaming ecosystem positions it as a key player in contributing to the industry's growth.

As the gaming landscape in the UAE evolves, SoftConstruct remains dedicated to meeting and exceeding the expectations of the gaming community, ensuring its continued success in this flourishing market.

In December 2023, the B.F.T.H. Arena Awards took place in Yerevan within the Harmony MeetUp. With the evident success of the Awards, what are the plans for the project?

BetConstruct launched the B.F.T.H. Arena Awards, a global competition celebrating creativity and imagination with a substantial prize pool of 3,333,000 FTN (5,000,000 USD). Participants crafted games featuring brand motifs from innovative products like Akneye, Bahamut, or FTN. Winners were revealed during the Harmony event, bringing together over 50 game providers. BetConstruct invited participants to Harmony Meetup 4.0, connecting 500+ industry leaders.

In the coming months, collaboration with the winning fund will promote awarded games. On January 15th, the Ortakh Project will be unveiled, so, as you see, the BetConstruct aims to establish the B.F.T.H. Arena Awards as an annual event, with the next one scheduled for June.

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The Evolving World of Player Preferences INNOVATIONS RESHAPING THE LANDSCAPE OF IGAMING PAYMENTS

Industry leaders helped us dive into the explosive growth of online gaming and delve into the cutting-edge payment technologies reshaping the industry. From embracing alternative payment methods to navigating global landscapes and the rise of cryptocurrencies, this report unveils the engines propelling the gaming world into a new era of innovation and seamless transactions.

Founder of PXP Financial, spotlights the imperative for online casinos to embrace alternative payment methods. As player demands surge for swift casino withdrawals, financial security, and enhanced anonymity, he underscores the pivotal role of meeting evolving player expectations. The burgeoning demand for mobile payments, cryptocurrencies, and subscription-based gaming, projected to reach \$55.94 billion by 2031 —per Allied Market Research—, necessitates seamless payment experiences, cardless pay-ins, and the infusion of AI and machine learning to stay ahead.

Vadim Drozd, the CEO at FinteqHub and Chief Payments Officer at SOFTSWISS, emphasizes the urgency of swift integration, unveiling a recent overhaul of their PSP (payment service provider) integration process. In the intricate dance of player trust and operator reliability, Drozd elucidates the significance of payment system reliability: “In the online gaming sphere, the reliability of payment systems significantly influences players’ trust in casino operators. Typical player behaviour involves initiating small initial deposits and seeking instantaneous withdrawals. Over time, players gain confidence, often opting to maintain funds in their casino accounts.”

Gustavo Ruiz, the President of Latin America at Paysafe, articulates Paysafe’s unwavering commitment to tailoring pay-

ment systems to Latin America’s unique preferences. The incorporation of cash payments and local bank transfers resonates with the region’s nuances, as Paysafe diligently tracks regional trends to ensure fast and secure transactions.

NAVIGATING PAYMENT PREFERENCES ACROSS GLOBAL LANDSCAPES

The FinteqHub CEO distills universal payment preferences into three cardinal aspects: instant transactions, cost-effectiveness, and reliability. While global fintech juggernauts like PayPal and Skrill cater to a global audience, Drozd discerns regional disparities based on historical inclinations and highlights the growth of digital wallets in areas with limited banking infrastructure. Open banking solutions gain popularity in Europe, streamlining processes and prioritizing user convenience.

In a testament to the escalating interest in payment technology innovation, the European Gaming and Betting Association (EGBA) recently introduced new membership options for payment sector companies. This signals a strategic alliance, with European payments service provider Aircash leading the charge as the first associate member.

In markets like India and Africa, indigenous digital wallets gain prominence, fueled by significant funding and

The online gaming industry stands at the precipice of unparalleled growth, set to soar to \$104.5 billion by 2028, with an anticipated 593 million players in 2024, according to ReportLinker. This surge is propelled by a dynamic interplay of emerging technologies and the shifting sands of player preferences. Key insights from industry trailblazers at PXP Financial, FinteqHub (SOFTSWISS), Slotegrator, and Paysafe illuminate the transformative innovations in online casino payment systems.

PIONEERING TRENDS AND THE RISING DEMAND FOR ALTERNATIVE PAYMENTS

Kamran Hedjri, the CEO and Co-



According to Slotegrator, 4.2% of the global population owns cryptocurrency and 75% of its clients anticipate its growth in the coming years.



Revolutionizing transactions: The future of online payments.

strategic investments from major players such as Ant Financial, according to Drozd. These solutions compete with local banks, offering users more affordable and convenient services, marking a persistent battle for user adoption.

The expert unveils a burgeoning fintech trend – the ‘Buy Now, Pay Later’ services, operating as micro-credit for users seeking short-term credit for purchases. With banks providing interest-free loans and users settling payments as funds become available, this emerging trend disrupts traditional banking involvement, shifting risks to online stores, and is rapidly gaining a foothold in the market.

Ayvar Gabidullin, Business Development Manager at Slotegrator, shines a spotlight on the necessity of understanding local payment systems. Identifying LatAm and Asia as pivotal markets, he underscores the importance of adapting to local currencies. Boleto Bancário in Brazil and PhonePe in India embody the need for such adaptability. His insights unravel the payment landscape in Asia, dominated by e-wallets for online casino players and sports bettors, followed by credit cards, debit cards, and bank transfers, with payment processor 2C2P emerging as a giant, “partially due to the fact that it even accepts payments from customers without a credit card.”

Slotegrator’s foray into multifunctional payment solutions, exemplified by Moneygrator, aligns with the company’s vision to integrate over 250 payment methods into online casinos and sportsbooks. The platform’s flexibility spans local and international payment processors, supporting both fiat and cryptocurrencies.

Gustavo Ruiz from Paysafe reinforces the shift towards alternative payments in Latin America, spotlighting eCash, digital wallets, and bank transfers. Paysafe sees this trend as a reflection of the region’s openness to financial innovation.

EVOLVING REGULATORY LANDSCAPES IN ONLINE CASINO PAYMENTS

The dawn of 2023 witnesses the inception of the International Gaming Standards Association’s (IGSA) Payment Standards Committee. Comprising stalwarts like Aristocrat Gaming, AXES.ai, Oregon Lottery, and Playtech, the committee seeks to craft standards governing online, mobile, and other payments across the global gaming spectrum. It envisions providing regulators with clear guidance against fraud, theft, and illicit activities.

Kamran Hedjri accentuates the role of regulatory bodies in overseeing online gambling and payment processing. The necessity for robust AML and KYC pro-

cedures in online casinos, coupled with features promoting responsible gambling, underscores the symbiotic relationship between regulatory frameworks and a secure gaming environment.

Anticipating stricter global regulations, Hedjri foresees potential licensing ‘heavens,’ with North Africa, Southeast Asia, and the imminent licensing regimes in Brazil, Peru, and Chile at the forefront. Vadim Drozd also sheds light on Brazil’s strategic regulatory initiatives, positioning the nation as a pivotal player poised to reshape the industry dynamics. He identifies the slow evolution of regulatory frameworks, acknowledging the reshaping of regulations to align with societal and economic objectives.

Ayvar Gabidullin and Gustavo Ruiz echo the importance of licenses and regulatory compliance in the ever-evolving landscape of online casinos. Legislative changes, aimed at bolstering security and transparency, mirror the industry’s commitment to responsible gaming.

The Latin American regulatory space, catalyzed by the COVID-19 pandemic, undergoes a metamorphosis, strengthening the security of online transactions. Paysafe’s collaboration with local regulators mirrors an adaptable approach, tailoring payment solutions to adhere to specific regulations across Latin American countries.

DIGITAL WALLETS: NAVIGATING THE FUTURE OF TRANSACTIONS

“With the total number of digital wallets set to exceed 5.2 billion globally in 2026, up from 3.4 billion in 2022, this is a trend online casinos can’t afford to ignore,” asserts Kamran Hedjri, citing a Juniper Research study. The proliferation of options like Apple Pay, Google Pay, and Samsung Pay unveils a trend characterized by enhanced security, faster transactions, and heightened privacy.

However, Hedjri tempers enthusiasm, acknowledging potential cybersecurity risks and regulatory fluctuations: “The two-factor authentication and other rigorous verification processes used to mitigate this risk can be time-consuming and seen as an inconvenience for some users,

adding friction to the payment journey. It’s also worth noting that regulatory environments for digital wallets are subject to change, and operators should be aware of the legal status of online gambling and digital wallets in their jurisdiction to avoid potential legal issues.”

Vadim Drozd unfurls FinteqHub’s meticulous approach to selecting wallet partnerships, focusing on maturity, user base size, and real customer testing. The quest to serve daily customer needs underpins their strategy, even considering promotional activities for wallets with smaller but ardent user bases.

Gustavo Ruiz also outlines the advantages of digital wallets, transcending the mere facilitation of transactions: the seamless fusion of fast and secure transactions, greater control over spending, an enhanced user experience (UX), and the ability to wager seamlessly across multiple online casino brands. He also highlights Paysafe’s commitment to adapting to the growing prevalence of digital wallets in Latin America.

CRYPTOCURRENCIES: THE RISING WAVE AND ITS CHALLENGES

The discourse on the global spread of cryptocurrencies unfolds through the lens of Kamran Hedjri. Anonymity, secure transactions, and decentralization propel their ascendancy, foretelling the advent of crypto casinos: “In Europe, member states are taking various approaches to regulate iGaming. Estonia, for instance, recently amended its AML Act, reflecting a growing recognition of crypto’s role.” The interplay between iGaming and decentralized finance (DeFi) emerges as a promising intersection, buoyed by positive regulatory developments in Japan, the UK, and beyond.

Ayvar Gabidullin positions cryptocurrencies as a cornerstone of contemporary iGaming, urging vigilance toward legislative changes and an astute tracking of modern trends. Slotegrator’s comprehensive report on the matter underlines the universality of cryptocurrency adoption, with 4.2% of the global population owning cryptocurrency and 75% of Slotegrator’s clients anticipating its growth in the coming

years. Gabidullin notes the fact that the audience is getting younger and more and more interested in cryptocurrencies is also going to contribute to this. According to the cited report, 80% of Slotegrator’s clients claim that crypto currency is used most by players 25 to 34 years old, with their most common coins of choice being Bitcoin, Litecoin, Dogecoin, Ether, Tether, and Trx Coin.

»»» **“In the online gaming sphere, the reliability of payment systems significantly influences players’ trust in casino operators.” - Vadim Drozd, CEO at FinteqHub**

Vadim Drozd lends weight to the robust trajectory of cryptocurrency payments, signifying the maturation of the crypto infrastructure. Legal crypto machines in certain countries and the anticipation of continued progress underscore the enduring nature of this trend. He points out that the rapidly-growing “cryptocurrency domain presents a contrast to existing fiat systems with a

99.9% acceptance rate, swift transactions, and minimal commissions, envisioning the future of payments.”

NAVIGATING THE CROSSROADS OF INNOVATION AND REGULATION IN ONLINE CASINO PAYMENTS

In conclusion, the pulsating heart of the online casino industry beats in rhythm with technological innovations and regulatory evolution. The orchestration of seamless payment experiences, the embrace of alternative methods, and the dynamic dance with cryptocurrencies characterize a landscape in perpetual flux. As the industry hurtles toward the future, the synergy between innovation and regulation emerges as the linchpin for sustainable growth.

The convergence of technological prowess, regional adaptability, and stringent regulatory frameworks charts a course toward a future where players can revel in a virtual cornucopia of payment options. The industry stands at the nexus of transformative change, poised to transcend current horizons and redefine the very essence of online transactions. The journey continues, guided by the steady hands of innovation and regulatory foresight, shaping a future where every click, every transaction, and every play is a seamless, secure, and exhilarating experience.



iGaming is expected to see 593 million players in 2024.

Online gaming industry in Brazil

ESTUDIO HENDRICH:

“EVERYTHING IS BETTER WHEN YOU KNOW THE RULES.”

Luciana Luciana and Witoldo Jr. Hendrich, siblings, lawyers, and partners at HENDRICH Law Firm, spoke with Casino Magazine and shared their perspective on the approval of the new regulation for the online gaming industry in Brazil.



Could you summarize the evolution of fixed-odds betting regulation in Brazil in recent years?

If you want a brief answer, the answer would be “a mess”. If you allow us to double click this topic, we can say that it is far from the best scenario operators would like to see, it confuses concepts like sports betting and lotteries (reason why the taxation is so confusing), but it is a first step. Some big mistakes have been converted into the law 14,790/2023, like the 30M BRL license covering up to 3 brands from the same economic group. It is favorable to big groups and tends to turn into a giant entry barrier to smaller operators. We can write the full magazine about these mistakes and maybe we should leave it to a further chance.

Do you consider positive the inclusion of the regulation of online casinos in Bill 3626/2023? Could it have been done in a separate process?

The bill of law 3626/2023 was converted into the law 14,790/2023, approved by the National Congress and partially vetoed by President Lula. Online Casinos are still an interrogation mark. It was not clearly defined by the law, but some people interpret the articles of the law as an authorization to

operate. We believe it will end on court cases. We (personally) believe you can operate Casinos, according to the reeding we gave to whole legislation.

What online games will the regulated operators be able to offer? Will jackpot slot machines be allowed? Could it allow the legalization of popular games?

This answer is very similar to the question above. We believe yes, despite the fact the law does not clearly mention it.

The Ministry of Finance estimated an annual revenue potential of R\$12 billion in a fully regulated market. How much would have been lost if online gambling was excluded from the project?

This is why we believe it may end on court. Part of the government wants operators to interpret everything was permitted, especially because of this tax revenue. However, part of public prosecutors, federal police, central bank... thinks differently, and it may end on a judicial discussion. When we say it was “a mess” is because of this kind of lack of clear concepts on the law.

What impact Regulation 1330/2023, published by the Brazilian Ministry of Finance last October, had on the sports betting industry?

First thing we need to understand is how much it fits to the law 14,790/2023. It definitely creates boundaries and standards but in our opinion nothing that serious operators are incapable to provide. In our opinion, good operators are better than the government can conceive and we believe they are more restrictive than the government itself.

How is the expression of interest process for companies interested in participating in sports betting in Brazil?

We had a virtual meeting with the government about this. What called our attention is the fact that whoever didn't applied as “interested” will be late on the



regulation. Tests environments will be delivered first to the companies that applied timely to this “manifest”.

In your opinion, what are the advantages of a regulated betting market?

Everything is better when you know the rules. We usually joke about rules, saying like we can play any game where we can understand the rules. When you play a game that you don't know the rules, it is like playing chess against a pigeon. It will fall all the pieces, dirty the chessboard and fly away thinking it won the match.

After the law is published, the Ministry of Finance will have to issue regulations through decrees to regulate online gambling, what issues will the legislation touch?

They surely have to say how operators will merge businesses' interests, player's interests and the strong friction between consumers protection law and “gambling” law. How players have to declare and pay taxes is another topic. Size of the company and legal regime is still unclear. They have to say a lot of things to make this work.

What is the deadline for operators to adapt to the new regulatory framework in Brazil?

We believe it will be no sorter than 6 months.

To conclude, what are the expectations about the work to be carried out by the new Betting and Lottery Secretariat in this new market open to the Brazilian tax authorities?

This is going to be a challenge. They need to work like an agency but obeying the government. We are indeed curious to see it happening.

ICE London has just confirmed that BRAZIL will have special participation in ICEVOX. It will be present as one of the jurisdictions ready to be regulated. What is the benefit of this window to Brazil? What do you think?

Some operators are not allowed to touch “unregulated” or “gray” markets. It will bring these new corporates to the game and lots of new interests will rise this year. We'd love to see it happening.



Growing Trend Among Both Youth and Adults

SPORTS BETTING: BETWEEN PASSION AND STATISTICS

This popular form of gambling has conquered enthusiasts from every corner of the globe. A significant percentage of millennials and centennials are drawn to this form of entertainment due to the combination of technology, analysis, gameplay, and emotions.

There are those who consider Qatar 2022 a moderate World Cup, despite the fact that this tournament left some milestones for posterity. For instance, in this country of arid landscapes, Argentina secured a well-deserved and hard-fought World Cup third star. The historic feat against France was witnessed by 1.5 billion people – which is one fifth of the world's population – through television, computers, and mobile devices.

According to OpenBet, a specialized sports betting provider, the Qatari World Cup set other unique records. One of them is that, during the tournament, sports betting increased by 13% over the 2018 World Cup in Russia. This figure even surpassed the numbers of the Super Bowl LVI in 2022.

And, while the next World Cup is a couple of years away, popular gaming platforms like DraftKings, FanDuel, BetMGM, Caesars Sportsbook, or

bet365 have already released their favorites to win the title in Canada, the United States, and Mexico in 2026. Among them, France, Brazil, England, Spain, Germany, Argentina, and Portugal are emerging as top contenders.

The above is just a small sample of the enormous potential of the king of sports in the betting market, but it's not an exclusive quality. At this stage of the game, there is no sporting event that remains distant from the gaze of bookmakers,

which, through physical branches and virtual applications, consolidate their growth.

TECHNOLOGICAL MARKET

The success of the sports betting phenomenon can be explained by its technological, commercial, and cultural factors. All of them are inevitably related to the widespread use of the internet, as it not only increased the number of connected users worldwide but also brought them closer and accustomed them to sports betting interfaces.

Gradually, designers added more high-quality graphics, more user-friendly interactive menus, and great gameplay. They also created more intuitive and effective applications that incorporated highly accurate predictions, personalized recommendations, real-time data analysis, and world-class online security controls for bettors.

In recent years, the advent of Artificial Intelligence has revolutionized this form of gambling. Algorithms, predictive models, and increasingly precise odds analysis are now used to examine in detail the factors (sports-related player injuries, coaching changes, team rivalries, weather conditions, geography, or others) that can influence the outcome of a competition.

iGaming, a model that uses the internet to support virtual bets through computers or mobile devices, has closely followed this advancement. With these two tools, it has established its highest added values: more immersive, secure, and transparent gaming experiences for a new generation of users.

DIGITAL PLAYERS

This brief analysis could not overlook the emergence of 'millennials' (born between 1981 and 1995) and "Generation Z" (born between 1996 and 2012), according to the popular classification by William Strauss and Neil Howe. Both segments are already highly familiar with technology and represent 22.4% and 23.7% of the world's population, respectively.

Members of "Generation Y" are categorized as more conventional, self-confident, teamwork-oriented,

and successful. Most importantly, they are the hinge perfectly illustrating the transition from analog to digital, as well as the adaptation of technology to life, work, school, and entertainment.

Unlike their predecessors, 'centennials' are considered digital natives and love living in a hyperconnected world. Their world never existed without the internet and often base their decisions (purchases, appearance, travel, and others) on online research by reading reviews or recommendations posted by other users on their social networks.

»»» **Sports betting in Qatar during the World Cup in 2023 saw a 13% increase over the 2018 World Cup in Russia.**

While some are reaching middle age, others have just crossed the legal age of adulthood, but both are dynamic agents of current consumption. Their preference for virtual environments and access to entertainment – in all its forms – from smartphones or computers rather than going to physical locations has set a firm trend.

MASSIVE ODDS

This boom wouldn't be the same without micro-bets, also called "direct bets." In these, users make predictions about specific aspects that could happen (or not) in a sports competition, something that not only adds appeal to the bet but also offers countless gaming possibilities according to the discipline.

In football, in addition to choosing the winner of a match, unless it ends in a draw (1-X-2 where '1' represents the home win, 'X' stands for a draw result, and '2' refers to the away win), one can wager on the exact final score, the number of goals for each half, the team that scores first, the number of corner kicks, or even if a player will receive a red card. Combining these events is also possible.

In basketball, you can bet on whether the number of points scored in any of its four quarters will be even or odd, while in tennis, you can predict whether there will be a tie-break. In a baseball game, you could bet on whether there will be one or no home run, or if a batter will be 'struck out' by a pitcher.

This list goes on. In rugby, it's common to bet on runs at 15, 20, or 25 (yards covered by a player); and in darts on the possible number of legs. Hockey enthusiasts, on the other hand,



Individuals aged 18 to 44 often access sports betting from tablets and smartphones.



New sports betting operators will enter Peru thanks to the approval of the new law.

have the chance to bet on winning margins, exact goals (including penalties), the final score of the game, how many goals were scored by a particular player, if the game is decided by a shootout in the event of a time, how many fights are in the game, penalty minutes.

FOOTBALL MARKET

The preferences for sports betting usually revolve around football in Europe. Reasons abound: the best leagues and the most anticipated championships are there, and there are also certain legal solidity and adequate policies for prevention (computer crimes and protection against compulsive gambling).

In the United Kingdom, home to the Premier League, this fervor is evident. According to figures from the UK Gambling Commission (UKGC), in 2020, 23% of users placed online sports bets worth £2.1 billion, almost USD 2.7 billion.

Enthusiastic about the stars shining in La Liga, Spanish fans spend €370 (USD 398) each year on football bets. Official statistics on the peninsula also indicate that 43% of online gambling revenue comes from sports betting, slightly higher than the 41.2% generated in virtual casinos.

In a recent bulletin, iGaming Business (IGB) reported that in Italy, sports betting in physical and online locations recorded just over €1.578 billion. Here the usual plays are not limited to Serie A alone but

»»» **Algorithms and predictive models are used to examine the factors influencing a sports outcome.**

include matches from Serie B and C, as well as international tournaments.

GALLOPS, WHEELS, AND CHAINS

But not everything is goals on the grass rectangle. Bettors take note of

the preference for other sports due to historical, geographical, or cultural affinity. A notable example is horse racing, a sport originating from the United Kingdom but has aroused interest with competitions worldwide.

The most important ones are held in the United Arab Emirates (Dubai World Cup), the United States (Kentucky Derby and Breeder's Cup), Japan (Nakayama Grand Jump), Australia (Melbourne Cup), France (Prix de L'Arc de Triomphe), and the United Kingdom (Royal Ascot). Turf bets involve predicting the winning horse or the second favorite.

Fans of high-speed have a wide variety of disciplines to bet on. No one could deny the excitement generated by Formula 1 cars. Its enthusiasts and its main circuits are present on almost every continent, to the point that their prizes appear in betting houses. Other competitions include the British Superbike Championship, Moto GP World Championship, FIM World Supercross Championship, World Rally Cross Championship and the NASCAR in the United States.

Cycling has also gained a presence in the industry thanks to its countless fans in France, Italy, and Spain, countries that host famous circuits. This variety has been joined by electronic sports (eSports), which, given their high popularity, will be the force that leverages a new boost in sports betting.

THE NEW STAR

The craze for sports betting is also experienced in South America. Colombia and Argentina have understood this, and in recent years, they have managed to adapt or modernize the regulatory frameworks for this attractive form of gambling. In October 2023, Peru joined this list thanks to a brand-new regulation. With the approval of Law 31557, not only has a tax been created for online betting, but it has also facilitated the arrival of new operators. The Ministry of Foreign Trade and Tourism of Peru (MINCETUR), responsible for the norm, has estimated an annual income of 162 million soles (more than USD 41 million) for the fiscal coffers.

This law will come into effect next April and will tax this activity with 12% of net profit. The revenue collected by the state will benefit MINCETUR, which will receive 40% of the tax; while the Peruvian Sports Institute (IPD), the Ministry of Health (MINSA), and the Public Treasury will manage 20% each.

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CHALLENGING REALITY IN FANTASY LEAGUES

The popularity of fantasy sports has created a niche for the iGaming sector. With official tournaments, franchises, and real-time applications, the opportunity to form “dream teams” and compete against other teams is an irresistible experience.

Have you ever dreamed of managing your favorite fantasy team, or experienced the rush of being able to sign your favorite star player and build your own dream team? What would seem like an impossible dream to any fan is now a simple reality thanks to the ever-evolving technology and innovative programs available through fantasy sports.

In recent years, fantasy sports have become an attractive business with a compelling premise: simulating the management of a league club. In

other words, being the ‘manager’ who must analyze available data to select the best players in the tournament and generate high profits and good sporting performances with them.

Mordor Intelligence, an Indian firm specializing in business advisory services, had estimated that Fantasy Sports could potentially reach USD 26.98 billion globally in 2023. Their accurate forecasts also indicated that this sector could grow at an annual rate of 12.92%, reaching USD 49.53 billion by 2028.

The popularity of athletes and sportspeople, the creation of fantasy leagues, the widespread use of the Internet, and the launch of increasingly realistic applications are factors behind the explosive growth in this market. As a social phenomenon and a burgeoning industry, Fantasy Sports is on the rise and has rewritten the rules of the game in the sports market.

RIISING NUMBERS

According to the Fantasy Sports & Gaming Association (FSGA), an organi-

zation that compiles data on this form of entertainment, there were 62.5 million players involved in fantasy sports in the United States and Canada in 2022. This figure is the result of a gradual and sustained evolution driven by fan interest and widespread access to technology.

According to FSGA's earliest estimate in 1988, there were 500,000 people dedicated to fantasy sports. The significant takeoff occurred between 1991 and 1994, when the number jumped from 1 million to 3 million. A record-breaking period. In 2003, with society more inclined toward web logins, 15.2 million fans were recorded.

After experiencing slight declines in 2004 (13.5 million) and 2005 (12.6 million), this figure continued its inevitable climb in 2007 with 19.4 million users. A year later, a new peak was reached: 29.9 million players connected via smartphones, a tool that would be crucial for the development of fantasy sports.

The figure continued to rise easily, setting more records in 2010 (32 million), 2011 (35.9 million), 2014 (41.5 million), and 2015 (56.8 million). While there was a more stable growth from 2016 to 2017, going from 57.4 million to 59.3 million, it has managed to remain strong until now without showing signs of weakening.

TASTES AND PREFERENCES

With data from multiple sector studies in both countries, the FSGA report revealed interesting details. The most striking is that the number of men almost doubles that of women (64% and 35%, respectively). In terms of age, 48% of the total corresponds to a young and adult audience, between 18 and 34 years old.

But there's more. It was revealed that fantasy sports enthusiasts prefer to form their lineups with teams from the National Football League (NFL) in 79%. Far behind are the National Basketball Association (NBA) with 32%, Major League Baseball (MLB) with 22%, and the National Hockey League (NHL) with 12%.

The list is completed with Major League Soccer (MLS) and the NCAA Division I Football Championship (college tournament) with 11%, NASCAR

and golf competitions (9%), eSports (8%), NCAA Division I Men's Basketball Championship (college tournament) with 7%, among others.

It was also evident that 84% of fantasy sports users had a higher education degree (college degree), while in terms of income, 65% of them reported annual incomes exceeding USD 50,000. Although this breakdown may be surprising, it actually demonstrates a sustained trend.

»»» In 2022, there were 62.5 million players immersed in fantasy sports in the United States and Canada.

A DECADE AGO

Another detailed report, published by Nielsen in November 2013, supports this assertion. Here, it was observed that there were also more men (68.4%) than women (31.6%) in fantasy sports in the United States. Half of them (50.6%) were married, a slightly higher figure than singles (49.1%).

In terms of age, adults between 25 and 34 years old (30.7%) and between 35 and 44 years old (25.1%) were the segments most inclined to this game.

Interestingly, in third place were young people between 18 and 24 years old (17.3%), followed by people aged 45 to 54 (15.6%), 55 to 64 (7.6%), and finally, those aged 65 and over (3.8%).

According to financial income, players with annual incomes between USD 50,000 and 74,999 (25.9%), and those between USD 25,000 and 49,999 (22.4%) led the list. They were followed by those earning between USD 75,000 and 99,999 (16.8%) and over USD 100,000 (20.1%). This profile data helped to provide information relevant to the purchasing preference marketing profiles of these players.

While users were recreating their teams, they also purchased movie tickets (84%), credit cards (67%), insurance (66%), and appliances (60%). Other common purchases were tickets to concerts or sporting events (58%), phone services or mobile devices (57%), beer (49%), or dietary products (39%).

MAJOR COMPETITORS

In those days, users generally visited statistics websites to design their fantasy teams. The most visited information sites were Yahoo! Sports (1.253 billion), ESPN.com (1.038 billion), FOXSports.com (957,000), MLB.com (614,000), and Big Lead Sports by FSV Network (609,000).

A decade later, the landscape has changed significantly, especially because the market has diversified to



You could assemble a truly competitive team like this and make profits at the end of a season.



The top major Fantasy Sports platforms operate their fantasy leagues on all five continents.

the point that CBS Sports Digital, NFL Enterprises LLC, and Yahoo! Fantasy Sports LLC share presence with the giants FanDuel Group and DraftKings Inc., the two pioneering platforms in this gaming modality.

Both firms accounted for 90% of players in North America just a few years ago. Today, along with Fantasy Pros, Dofu Stream, Sleeper, ESPN, and DraftKings, they form the most popular search and betting pages in Canada, the United States, and, to a lesser extent, Mexico. This momentum is also reflected in other regions.

MAJOR AND NEW LEAGUES

Starting in 2013 and with the presence of FanDuel Group and DraftKings Inc., Europe is a case worth emulating. Since then, the number of users has continued to rise to the point where competitions like basketball, hockey, and, especially, football have become franchise tournaments through official fantasy leagues.

Some operators dominating this market are Fan Team, Play ON, Live FPL, Fantasy Premier League (UK), Fantasy Liga (Spain), Fantasy Bundesliga (Germany), and Serie A Fantasy (Italy). India, South Korea, China, and other emerging countries in Southeast Asia, as well as Australia in the South Pacific, are not far behind.

In this region, there is a rapid acceptance of electronic sports (eSports) and disciplines such as cricket,

football, or hockey through platforms like Dream Sports, Play UP, Real GM, Hala Play Technologies, and ESPN. And, despite still being in growth, Latin America, the Middle East, and Africa showcase significant potential. Here, the strategic partnership between the entities organizing the leagues in each country, the media, and operating firms (Futbol Fantasy, Fantrax, among others)

aims to increase the visibility of the game and involve more users.

A PROMISING FUTURE

The world of Fantasy Sports is experiencing exponential growth, transforming from a niche activity into a global phenomenon. The strategic integration of technology, data analytics, and fan engagement has propelled Fantasy Sports to unprecedented heights, with a user base that spans demographics and regions. The impressive rise in numbers, especially in North America and Europe, reflects the universal appeal of managing virtual sports teams. The industry's evolution, marked by the dominance of major platforms like FanDuel and DraftKings, has given rise to diverse leagues and competitions worldwide. As the landscape continues to expand, embracing new sports and attracting users from emerging markets, Fantasy Sports stands as a dynamic and promising sector, challenging traditional perceptions and redefining the sports entertainment experience.

PERFECT MATCH

Fantasy Sports create a highly competitive and exciting platform for players. The Players engage in the simulation of being a Team Owner. They have a set budget available to research and build their dream team to compete against other players in their League. With this fictional team, users compete in a season of games against rival teams and the won/lost record determines the winner of the Fantasy League. The top winners in the League then compete in the Playoffs against the best teams to determine the League Champion, and earn points based on their performance in real matches. Bonuses vary by sport. In American football, according to Fantasy Pros, points are earned for yards gained on the field (1 point per yard), throwing a touchdown pass (4 points), or receiving and scoring one (6 points). Points are also awarded for field goals scored from 0 to 39 yards (3 points), 40 to 49 yards (4 points), and 50 or more yards (5 points). Penalties arise from a missed extra point or goal (-1 point), or turnovers for the opponent (-2 points), among others. According to the Draft Fantasy Football website, football points are awarded based on time on the field: up to 60 minutes (1 point) or more – excluding injury time – (2 points). Goals are scored differently based on the player: a goalkeeper or defender (6 points), a midfielder (5 points), or a forward (4 points). Points are also awarded for assists (3 points) and a saved penalty (5 points). Negative scores include missing a penalty or scoring an own goal (-2 points), receiving a yellow card (-1 point), or a red card (-3 points).

LETTER FROM THE CEO

To our valued clients and partners,

The new year brings the next chapter of our journey together, and I couldn't be more excited. In my previous open letters, I promised we'd continue our journey on the road, meeting clients at their desks, not ours. This amplified travel has brought us invaluable insights that position us to continue playing a small part in achieving a visionary future for our industry. Amid rapid advancement, our collective dedication and adaptability demonstrates that when we work together, we move everyone forward and can achieve almost anything.

Whether you're a startup or an industry leader, we believe everyone is entitled to GLI's world-class service; you should expect nothing less. We are never too busy to put all our customers in the express lane, remaining fully equipped to support you with 1,600+ highly skilled team members. In fact, to guarantee that your needs are always met, we are continuing to add to our delivery team globally. With the acquisitions of SIQ and iTech complete, our businesses are not only service-oriented, but are also fully integrated and ISO-certified, ensuring there's no one better suited to support your path to success globally.

Over the last 35 years, we have excelled by meeting our customers wherever they are in their product journey. Our end-to-end integrated compliance and testing solutions are constructed so that the results from each stage of evaluation flow into the next and build from there. From early regulatory advisory, QA, pre-compliance, and compliance testing, to load, performance, and interoperability testing, working with GLI provides you the advantage of having the same team from start to finish. This is how we get you to market quickly. Whether projects are simple or complex, you can count on GLI, because when it comes to delivering quality and accuracy – every part of the process matters.

Given the steady growth of high-stakes security breaches and the expansion of iGaming, iLottery, and digital sports betting, our cybersecurity division, Bulletproof, has been exceedingly busy keeping you safe. We've introduced a full SOC monitoring center in Las Vegas, Nevada, expanded our team of professionals, and added several U.S. Gaming and lottery customers to our already robust international portfolio. With cyberattacks projected to cost the global economy over \$10.5 trillion by 2024, our Bulletproof experts are well-prepared to ensure safety and prevention as well as support during crisis.

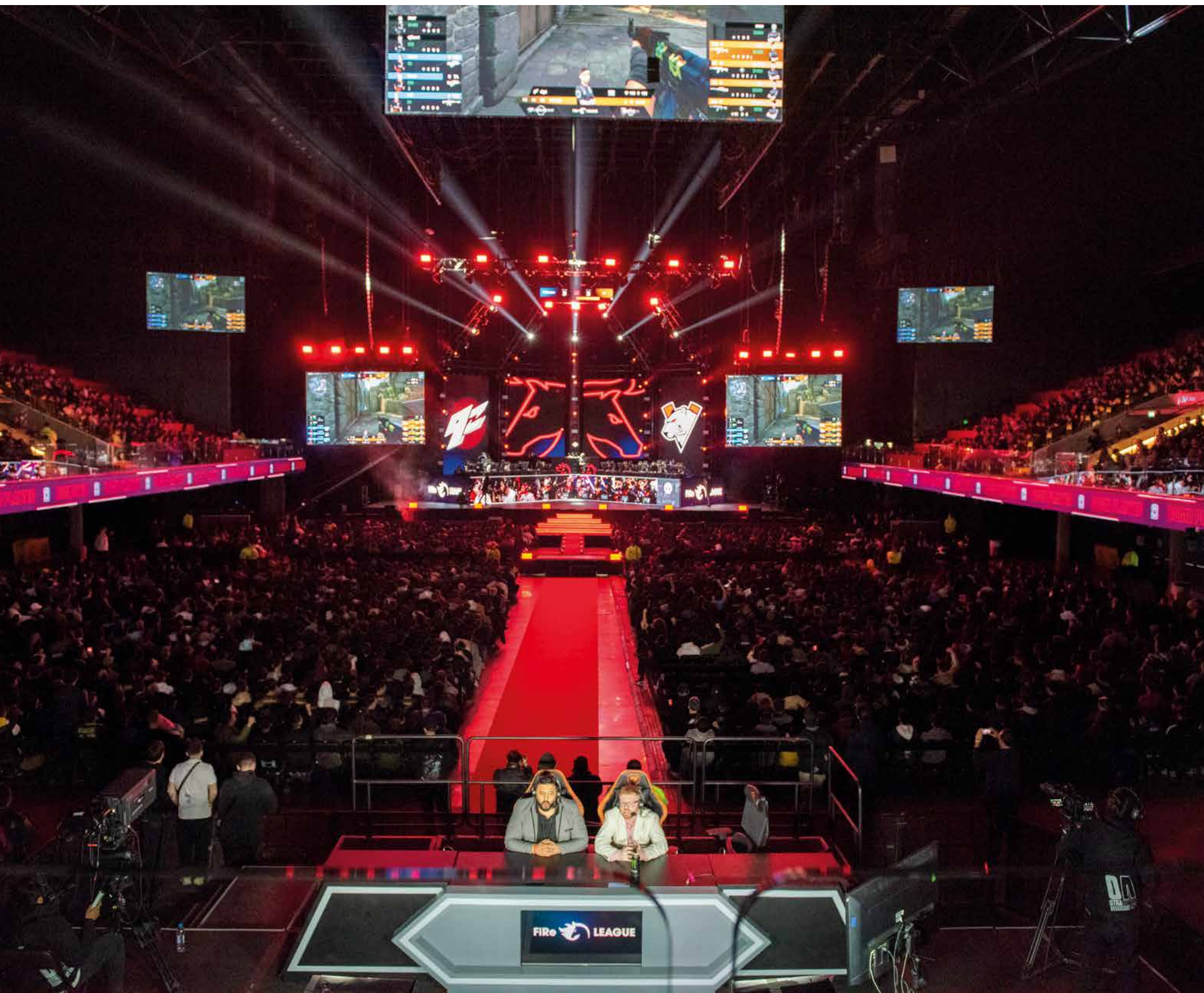
The results of our recent surveys, plus speaking with regulators, suppliers, operators, and lottery professionals at events across the world, reaffirms the confidence I have in our future. We're advising lotteries amid evolving jurisdictions; welcoming new gaming opportunities; and are laser-focused on concerns surrounding AI, unregulated gaming, geolocation and KYC, money laundering, and responsible gaming because, when our clients tell us what they need, we listen. No matter what comes your way, we will offer the support you deserve.

I'm excited for the busy start to our year. We'll be meeting clients at ICE, the Indian Gaming Tradeshow, and at our premier annual event – the Regulators Roundtable – held at the Palms Resort in Las Vegas, April 24-25. With another year of record-breaking attendance expected, I'm looking forward to seeing new and familiar faces as we dive into the largest challenges and opportunities facing regulators today.

Thank you all for your continued trust – we never take it for granted. Wishing you a prosperous new year and looking forward to seeing you somewhere on the globe.

Sincerely,

James Maida



Rodrigo F. Reyes and Ari Fox Produce eSports Events in US, Latam, Europe

THE LINK BETWEEN ESPORTS & CASINOS, IN THE EYES OF FIRESHORTS & THE CASINO ESPORT CONFERENCE

Counter-Strike is the most adaptable eSports, and betting on eSports is not the only business line through which casinos can increase their revenue. These are some of the conclusions shared with Revista CASINO.

ESports, or electronic sports, are video game competitions that today evoke as much passion, if not more, than traditional sports did in the pre-digital era. This realm involves teams, leagues, professional players, sponsors, fans, live events, and streaming. Revista CASINO interviewed two industry leaders, Rodrigo Figueroa Reyes and Ari Fox, to explore the potential synergy with traditional casinos.

FUNDATION OF A GREAT INDUSTRY

eSports have a parent industry: video games. There are 3 billion video game players worldwide, accounting for 40% of the global population. The Asia-Pacific region claims over half of these players, while North America and Europe each hold 20%. Newer growing markets, such as the Middle East, Africa, and Latin America, are expected to experience significant growth. Of the 3 billion, only 10% engage in eSports.

Further statistics to grasp the phenomenon: North America represents 37.2% of current eSports revenue, making it the leading market. Projections for 2032 estimate sector growth to reach

USD 10,905.1 million in revenue in the United States alone, as per a report from Market.us. The potential is enormous, and perhaps this is why even someone like Lionel Messi decided to get involved.

Almost the entirety of Rodrigo Figueroa Reyes' professional career is linked to the advertising industry, but in 2020, he co-founded FiReSPORTS with his son Jerónimo. Figueroa Reyes mentioned the COVID-19 pandemic to explain the growth projection of players in Latin America: "There was a high turnover of technological devices and demographic shifts. It is the region that projects having more young people compared to Europe, the Middle East and Africa (EMEA), and Asia-Pacific (APAC)."

PROMISING FUTURE

FiReSPORTS is a comprehensive eSports organization that originated in Argentina and now extends its reach to the rest of Latin America, the United States, and Europe. The company produces its own Counter-Strike league and also leagues for third parties, including the VALORANT Challengers LATAM for Riot Games. It has other business units that encompass the production of musi-



Rodrigo Figueroa Reyes, founder and CEO of FiReSPORTS, an eSports organization that emerged in Argentina in 2020.

cal shows, sports events, streaming services, eSports matches (showmatches), documentaries, short films, and other content formats.

While the alliance between eSports and traditional gambling is still in its early stages in its main area of influence, Figueroa Reyes did not rule out a future agreement in this regard: “We would love it because we manage the most important Counter-Strike league in Spanish and Portuguese, and Counter-Strike is the eSport most adaptable to casinos and bookmakers.” There is also a niche market that some bookmakers and virtual casinos are already exploring: they choose influencers and players to promote their websites and games on Twitch and YouTube.

Together with the Argentine University of Business (UADE), FiReSPORTS recently launched the first Bachelor’s Degree in eSports in Latin America and the fourth in the world. The program is designed for players, CEOs, sports managers, marketing directors, event producers, and journalists. Other projects of the company include the CRACK awards and the launch of Barça Games, the gaming platform of FC Barcelona, which includes a player training center.

Who are we talking about when we refer to eSports? While not long ago it was believed that they were only for



Ari Fox, producer of the Casino Esport Conference and the GameACon convention.

young people, the logic has changed: “The audience now consists of men and women from 18 to 50 years old. Parents and children now play the same games.”

»»»» **“The eSports audience consists of men and women aged 18 to 50. Today, parents and children play the same games.”**

The Casino Esport Conference (CEC) is an event that will take place this year from March 19 to 21 at the Agua Caliente Casino, located in Rancho Mirage, California. Its goal is to discuss how casinos, universities, and the film industry can do business with video games and eSports. The organizers are the brothers Ari and Ben Fox.

GRASPING SIMILARITIES

“The Esports market is part of the larger video gaming cultural phenomenon that is the form of entertainment most preferred by audiences ages 21 to 45 years old. Understanding the Esports sector, we have to understand that

similarly to older forms of conventional sports, whereas not all of the general populous enjoys sports, Esports is about 10% of the 3 billion video gamers worldwide. This is still a very large number, but I say this because wagering on Esports is not the only vertical that is available to casinos for revenue,” highlighted Ari Fox to Revista CASINO.

Both brothers have extensive experience in the video game and gambling industries. The younger of the two, Ari, is known for his entrepreneurial spirit. He is an expert in new technologies and shows a particular interest in the use of artificial intelligence to improve the customer experience and drive business growth.

He argues that there is only one possible business in the intersection between gambling and eSports at the moment, and that is betting because it is the only thing operators understand today. He insists that focusing on eSports and leaving out 90% of the total gaming universe is missing “a great opportunity to increase revenue.”

“Wagering as one vertical is great but take for example attempts by slot machine manufacturers making an NFL slot game or a Willie Wonka slot machine. These are obvious attempts to expand the reach to sports fans that wager on sports and the Willie Wonka slot game to cater to movie fans. However, with video gaming enthusiast there needs to be wagering on esports of course but offering or creating a slot machine for them is like offering a meat eater a piece of lettuce. They won’t bite, plain and simple”, expanded Ari Fox.

CROSS-GENERATIONAL AUDIENCE

Esports have a cross-generational audience, with a predominant presence from Generation Z and Millennials, but we must not exclude Generation X or the one following Gen Z. The important thing here is to note that each generation represents a different type of player: “Many have grown up with mobile phones and interactive screens. Games based on chance don’t capture their attention.”

What does he recommend to captivate the younger audience? “Skill-based

games where they have a certain time to achieve specific objectives and earn money. With a commission-based business model, the casino could make money. The goal is to get the video gamer to want to move to the next level. That’s where the adrenaline is for them: they want to win the game.” He added, “Young people want to be part of the action and co-create their own entertainment. There’s no way for a younger person to feel part of the action in the games that casinos offer today, both online and traditional. You can’t be part of a game of chance.”

ESSENTIAL FOR INNOVATION

For Ari Fox, it’s evident that casinos are not doing as well as they proclaim, and to camouflage the situation, they only highlight the gross gaming revenue (GGR). Despite this, they have not fully embraced video games in general or eSports in particular, even though it would benefit them. It’s clear to him that casinos urgently need to be more innovative, as cinemas and other old forms of entertainment have done.

“The Esports audience will bring more younger people to the casino IF there is something for them to do there. Just offering wagering on esports is not enough. Land-based casinos can capitalize on bringing younger video gaming and esports audiences into the casino by offering specific tournaments for various video gaming/esports communities,” Fox pointed out.

For instance, the Agua Caliente Casino in Rancho Mirage offers Super Smash Bros tournaments every Wednesday night. “They started small but they are growing as a place for younger people to come weekly and try to be the champion of the evening in playing Super Smash Brothers. The casino gets a Vig (vigorish/ commission) from the participants, they sell food and beverages and offer this in a location that is their sports bar. But since it is a Wednesday night there are not many sports going on, so why not esports?”

After eight years of existence, the CEC aims to attract casinos operated by Native American tribes because “they are much more receptive to innovation and

trying new opportunities.” The Fox brothers are also responsible for GameACon, a convention that offers an immersive experience in games, anime, art, comics, and cosplay. This year will have two editions: the first in June in Palm Springs, California; while the second will take place in Stamford, Connecticut, in August.

The League of Legends World Championship final, held in November, set a record in the history of eSports: more than 6 million people watched the match simultaneously. The consultancy firm Newzoo projects that eSports could surpass the viewership of the Super Bowl or the Champions League in less than ten years.

THE PASSION OF FOOTBALL

Regarding Argentina, a land where soccer is the great passion generator, the number of gamers reached 26 million in 2023, 56% of the population. And this figure will continue to grow. In 2020, former soccer player Sergio “Kun” Agüero created the eSports organization KRÜ, and last December, Lionel Messi, the captain of the Argentine National Team, joined as a partner.

“I am happy to share the club with Leo, of course now in a new stage and with other challenges. It is an honor that he is part of KRÜ. He is the best soccer player in history, and also a great friend. His pres-

ence is relevant because it projects values such as perseverance, humility, and resilience. He is a figure that inspires everyone and will be a great contribution to the scene in general,” Agüero said in a press release. The last tournament Messi and Agüero played together was the Copa America held in Brazil in 2021.

According to Rodrigo Figueroa Reyes, this announcement impacts the general public: “It allows visualizing eSports among those who have no idea about this industry, about this world that moves a lot of young people. Formally, it stays in the news because it won’t change much for the club’s daily life, but surely more brands will try to connect with the youth.”

KRÜ positions itself as a club that generates content and develops events and exclusive experiences for its community and fans of other disciplines who interact with eSports. And now, they have the best in the world.

With 3 billion video game players worldwide, it’s evident that the alliance between eSports —representing only 10% of the total market— and casino operators is still in its infancy, even in the most developed markets. The potential is enormous. The key is for traditional gambling to start speaking this new language, not the other way around.



In November, Lionel Messi joined KRÜ, the esports organization created in 2020 by Sergio “Kun” Agüero.



From Camelot's Legacy to Allwyn's Vision

UK NATIONAL LOTTERY'S NEW ERA: A JOURNEY OF TRANSFORMATION

Explore the seismic shifts in the Lottery's landscape after Camelot's 28-year tenure. This in-depth report navigates through pivotal changes, strategic expansions, and technological innovations. Industry experts help us analyze how the profound transformations, including the UK Gambling Act White Paper, all are contributing factors molding the future of this global gaming powerhouse.

In the dynamic realm of the gaming industry, the UK National Lottery has emerged as a global powerhouse since its inception in 1994. Over the years, it has raised more than GBP 47 billion —USD 60 billion— for 670,000 good causes, leaving an indelible mark on communities across the UK.

UNLOCKING CHANGE

The winds of change swept through the National Lottery as the Gambling Commission (UKGC), the industry's regulatory body in the United Kingdom, initiated the competition for the fourth license on August 28, 2020. This marked a pivotal moment, setting the stage for a

new era after Camelot's 28-year tenure. The competition aimed not only to secure a seamless transition but also to redefine the lottery experience for participants and elevate contributions to good causes.

The National Lottery, one of the world's largest lotteries, faced the impending expiration of its third license in

2023, prompting the need for a competitive process to determine the stewardship of its future endeavors by the launch of the new operations in February 2024.

Amid legal proceedings, Allwyn Entertainment UK emerged as the Preferred Applicant for the new license in March 2022. The subsequent legal intricacies temporarily cast shadows on the formal award, risking operational disruptions, according to the UKGC. However, on June 29, the court's decision to lift the suspension paved the way for Allwyn to officially take the reins.

On September 20, the regulator formally announced the awarding of the Fourth National Lottery license to Allwyn. This marked a significant milestone, and some of the key changes are:

- A fixed 10-year license;
- Greater flexibility for the licensee to more rapidly adapt their offerings to reflect changing technology, consumer safety, regulation, and consumer preferences;
- A new incentive mechanism aligning profits with charitable contributions to good causes;
- An outcomes-based approach giving the licensee greater responsibility to fulfill its obligations while retaining the UKGC's power to intervene if they do not;
- A retail charter to ensure the next licensee engages proactively with retailers when the fourth license begins in February.

The CEO of the Gambling Commission, Andrew Rhodes, expressed confidence in Allwyn's ability to maximize returns to good causes, promote innovation, meet regulatory requirements, and protect the unique status of the National Lottery. The announcement highlighted a strategic shift, emphasizing a results-oriented approach and greater flexibility for the licensee.

ALLWYN'S STRATEGIC EXPANSIONS

January 2023 marked a crucial juncture as the UK Gambling Commission approved Allwyn's acquisition of Camelot.

This represented a transformative step, not only in ownership but also in strategic positioning. Allwyn's ownership of Camelot aimed to provide greater clarity and certainty for the future of the National Lottery, the causes it funded, and the employees of both Camelot and Allwyn. Allwyn also finalized a deal to acquire the US-facing Camelot Lottery Solutions unit of companies from Ontario Teachers. It runs the Illinois Lottery and works with in-house iLottery technology.

“Allwyn's acquisition of Camelot could streamline the transition and mitigate legal challenges.”

Allwyn's acquisition of Camelot's UK operations, as reported, could streamline the transition and mitigate legal challenges Camelot had against the industry regulator. This acquisition may provide Allwyn access to Camelot's resources and expertise, potentially leading to a more efficient transition and operation,” Alex Szilaghi, an iGaming Consultant at Gambling Consulting Expert (GCE), tells

Revista CASINO. GCE is part of iGaming Express and publishes specialized gambling reports that cover the gambling regulation and activities of more than 36 jurisdictions on every continent.

In addition, Allwyn partnered with Vodafone to usher in a new era of technology for the National Lottery. The announced focus on a mobile-first approach and enhanced digital capabilities aligned with changing consumer patterns. This partnership aimed not only to elevate the gaming experience but also to support retailers in adapting to evolving consumer expectations, according to Allwyn.

The technological upgrades, slated for February's launch, marked a strategic move toward a more dynamic and responsive infrastructure, as stated by Allwyn. Vodafone's role in providing IoT connectivity and broadband, coupled with digital skills training for retailers, seeks to position the National Lottery at the forefront of technological innovation in the gaming industry.

NEW LEADERSHIP

888 director Andria Vidler took the helm as CEO of Allwyn UK effective October 1, succeeding Robert Chvátal, who had been interim CEO since January and who returned to his responsibilities as Group CEO of Allwyn. Vidler was most recently the EMEA CEO at Tag Worldwide,



Andria Vidler, new CEO of Allwyn UK.

a global marketing production business. She also led EMI in the UK and Ireland, Centaur Media, and held senior roles at Capital Radio, Bauer Media, and the BBC.

Allwyn also made strategic moves in creative direction as it hired Leo Burnett and VCCP London. The strategic approach to advertising, with separate agencies assigned to enhance creative direction for individual product brands, showcased Allwyn's strategy to maximize campaign reach and raise awareness.

As Allwyn initiated contact with retailers, the groundwork was laid for a seamless transition that gained momentum rapidly. Preliminary Q2 results showcased robust financial performance, with a consolidated revenue of €2 billion (\$2.14 billion), a rise of 114.7% year-on-year. Allwyn defined its approach to change management via the ongoing site surveys, retailer communication initiatives, and alignment of agreements with the Fourth National Lottery License.

"The transition period is a critical phase, where maintaining the continuity of operations and ensuring stakeholder confidence will be paramount," Szilaghi notes. "The industry must focus on a smooth handover process, maintaining employee morale and job security, and

ensuring that the quality of service to players and beneficiaries does not diminish during this period."

He says ensuring a smooth transition of operations, especially given the scale and complexity of the National Lottery, will be challenging. "However, there are significant opportunities for innovation and growth," he adds. "Overall, the transition of the UK National Lottery operator signifies a major shift in the lottery industry, with potential for significant innovations and improvements in lottery operations, consumer engagement, and contributions to charitable causes."

KEY PROSPECTS, CHALLENGES AND OPPORTUNITIES

Allwyn has promised several changes to the UK National Lottery, including reducing ticket prices for the main draw from £2 to £1, and potentially introducing new features such as two Saturday night draws, Alex Szilaghi points out, adding that they are also committed to promoting online ticket sales, especially to a younger audience, and increasing donations to charity. Under the current operator, for instance, The National Lottery Community Fund helps bridge the gaps in NHS provision so that every person with a diagno-

sis with cancer can benefit from physical, mental and emotional therapy.

"Given Allwyn's experience in other European countries, we can expect them to bring new business strategies and technologies to enhance the lottery's offerings in the UK. These could include advancements in digital platforms and more efficient operational practices, contributing to the lottery's modernization," the iGaming consultant foresees.

Aqueria International, a stalwart in Gaming and Lottery Consulting, also provided Revista CASINO with insightful perspectives through its Managing Director, Kon Kalemis; and Interactive Marketing & Lottery Director, Matt Osgood. They were asked to delve into the challenges and opportunities that the new National Lottery operator faces. "By all accounts, the incumbent operator has been very successful in growing the UK Lottery during its tenure," they say. So the challenges ahead are recognized as typical of mature lottery markets, "and, at their core, relate to today's 'relevance' of lottery products in a digital consumer market," they add.

In that sense, Aqueria emphasizes the need for the National Lottery to evolve in response to changing consumer preferences. The expert consultants draw an

analogy, stating: "Much like Dorothy and Toto discovered that they weren't in Kansas anymore, any new operator of the UK National Lottery will have a challenge on their hands; for it is not 1994 anymore either, and the media and competitive landscape have changed substantially."

The challenge is not merely replicating past successes, but anticipating and adapting to the ever-evolving consumer landscape. Aqueria underscores the significance of engaging consumers consistently and authentically. "The reality is that the National Lottery is in a battle for attention, a scarce resource, just like any other consumer good. The Allwyn team, like every lottery operator, will have to work hard week in, week out, to charm the consumer in compelling ways," they anticipate.

Szilaghi agrees with that concept: "Given the changing landscape of the gambling and lottery industry globally, there's a need for continuous monitoring of market trends and player preferences to remain competitive and socially responsible."

Aqueria International further provides inductive insights into areas requiring investigation and expansion. It elaborates on the role of the land-based distribution network, stating: "It's been more than a decade now since lottery operators incorporated digital interactive platforms into their distribution network." And the industry experts emphasize the crucial role of land-based distribution agents, labeling them as the "ambassadors of state lottery operations." However, a consistent observation by Aqueria is the sidelining of these agents in long-term operational strategies, exemplified by the steady reduction in agent fees.

In terms of portfolio development, Aqueria suggests innovative approaches to Prize Pay-Outs and a cautious approach to imitating Commercial Gaming Operators. As stated by Kalemis and Osgood, "Operators should rather maintain focus on Prize Draw Games which provide a competitive ad-



Allwyn has promised several changes to the UK National Lottery. Source: Camelot Group

vantage and inherently maintain higher levels of Gross Gaming Revenues."

Finally, they advocate for the introduction and development of services and value propositions beyond monetary funds. "Prizes do not need to be exclusively monetary funds, and there is substantial scope to introduce initiatives utilized by fast-moving consumer goods and casual play App games to foster greater engagement," they conclude.

GAMBLING ACT REVIEW WHITE PAPER'S IMPACT

The December 6, 2023, address by UKGC CEO Andrew Rhodes at the GambleAware Annual Conference outlined crucial consultation topics related to the ongoing Gambling Act Review, emphasizing socially responsible incentives, customer-led tools, and regulatory data. This second round of consultations is

expected to close on 21 February 2024, while the first set closed in October 2023, currently being analyzed by the UKGC.

The ongoing transition process of the UK National Lottery, especially influenced by the Gambling Act Review, brings attention to regulatory considerations and

industry perspectives. Aqueria International traditionally sees the UK Gaming regulator as a facilitator rather than an impediment to the National Lottery Operator's growth. Kalemis and Osgood state: "The UK Gaming regulator's primary role regarding the National Lottery Operator is the assurance of sustainable and responsible growth. We have traditionally viewed this particular department as being there to assist and not to hinder."

They add: "We therefore suspect that any professionally documented introductions of new products, services, and innovations which fall in line with the regulatory guidelines will not receive any unreasonable resistance." This perspective aligns with the industry's expectation of a supportive regulatory environment that encourages innovation within well-defined guidelines.

Alex Szilaghi, for his part, says the Gambling Act Review White Paper could significantly influence the transition process, especially regarding regulatory compliance and innovative practices: "As the industry undergoes this transition, it will be crucial to adhere to the evolving regulatory frameworks to ensure responsible gambling and player protection. The White Paper's recommendations could guide the industry towards more transparent and player-focused operations, fostering an environment conducive to innovation while ensuring ethical practices."



The incumbent operator has been very successful in growing the UK Lottery during its tenure.

Also heads El Salvador's National Charity Lottery

JAVIER MILIÁN FROM CIBELAE: "BIG BETS HAVE BROUGHT US GREAT RESULTS"

An industrial engineer with a specialization in Market-Oriented Innovation Management, he reaffirms charity as the heart of his work and emphasizes that lotteries must exchange knowledge and keep up with technological developments.

“My role model in my professional life is the current President of the Republic of El Salvador, Nayib Bukele. He has set the example by exhibiting social sensitivity and determination to achieve goals, he motivates us to work hard every day for the development of our country,” stated Javier Milián in this interview with Revista CASINO, where we review the changes that the National Charity Lottery of El Salvador (LNB) has undergone in nearly five years with him as the president of the institution.

Milián, an Industrial Engineer with a specialization in Market-Oriented Innovation Management, strongly believes in the social mission of lotteries: “We are changing the lives of many Salvadorans.” With this enthusiasm, he can transcend the borders of El Salvador from his role as the president of the Ibero-American Corporation of Lotteries and State Betting (Cibelaé), a position that is renewed every two years, and where he is serving his second consecutive term.

What is the biggest challenge you faced as an official in the gaming industry?

Breaking paradigms, transforming “it cannot be done” into “we will make it possible.” The LNB was in a situation



Loto's launch planning, the first e-lottery game by El Salvador's National Charity Lottery, took 6 months.

of low sales, little investment in charity, and a lack of innovation. Along with my team, we bet on innovative actions to correct the declining course of actions that the previous administrations before this government had taken. We know that big bets have brought us great results.

What challenges did the LNB face when incorporating the role of regulator into its usual function as a game operator at the end of 2021?

The evolution to becoming regulators of lottery games involved a change in the organizational structure of the institution and the creation and implementation of new processes, ranging from licensing to the prosecution of illegal gambling. Illegal gambling not only represents a risk —potential scams, gambling addiction, money laundering, and tax evasion—, but also prevents returning to society the proceeds from gambling through good causes.

Did you have to make any adjustments in the first months of oper-

“Distribution channels have become our strategic allies, not only to increase sales but also to ensure that our products reach appeal to new markets and customers.”

ating Loto, LNB's first electronic lottery game, launched in mid-2023?

Loto is a two-digit electronic lottery. To participate, the player must choose a number between 00 and 99. The draw takes place twice a day. If players guess correctly, they win 60 times their investment. Its launch was planned over six months ahead of the start of operations. During that period, potential sales points were evaluated, and system tests and adjustments were made to start with all appropriate security and reliability standards.

You partnered with the Canadian Commercial Corporation (CCC) to launch Loto. How is this alliance working?

It has already started to bear fruit because, through CCC's investment in the country, our economy is stimulated: it generates income for Salvadoran families and also for the State, which allocates these resources to social purposes.

What extra contributions can entities from other regions make to Latin American lotteries?

The importance of exchanging experiences with other leading lotteries in the global gambling industry lies in sharing information that allows us to comprehensively address crucial issues for the sector. These agreements help us respond to the major challenges that, as lotteries and gambling operators, we face daily in each of our countries: the implementation of responsible gaming programs, combating illegal gambling, improving processes, technological innovation, and sales strategies that allow us to increase investment in charity.

What changes have lotteries experienced since their inception?

Along with our products, the distribution channels have evolved, becoming our strategic allies not only to increase sales but also to ensure that our products reach new markets and customers. Additionally, the implementation of responsible gaming policies in all our processes has served as the basis for the transformation of our communication and production and marketing processes.

What role does charity still play in lotteries?

Charity work is a fundamental part of the work we do. Charity magnifies the work of every lottery employee and gives it an extra boost, additional motivation to do what we do. In the case of El Salvador, our good cause program is called "Together we do charity." In 2023, we reached over 80,000 people with general medicine, ophthalmological, and dental brigades. We also provided medicines, prescription glasses, food packages, wheelchairs, sports uniforms and supplies, and construction supplies in sectors with great need.

»»» **"Charity magnifies the work of every lottery employee and gives it an extra boost, an additional motivation."**

What is the current situation of Ibero-American lotteries?

After COVID-19, it has been challenging. However, Ibero-American lotteries have managed to transcend adversity, achieve our goals, recover and increase sales and investment in good causes for the social development of our countries.

Is the modernization process consistent for all?

Of course! From the presidency of Cibela, we want to encourage all of our members to always be looking for ways to modernize all of their processes. One of our strategic objectives for this period is the development of capabilities and continuous improvement in the processes of lotteries through

the dissemination and updating of information. In order to achieve this, we aim to expand collaborations and share among all the novelties of current and future technological advances.

It is your second term as president of Cibela. How do you summarize your first term? What are your goals now?

During the first term, we firsthand learned about the situations and needs of regular and associate members to, first of all, find common ground and begin to support them post-COVID-19. For this new period, where we are already in the era of digitization and new challenges, it is time not only to do the same things in the best way, but also to do new things through mutual support and the socialization of knowledge. The fundamental pillars of our Work Plan 2024-2026 are as follows: generate value for members to respond to the challenges posed by globalization and the incorporation of ICTs (Information and Communication Technologies); become leaders in training and research; and, of course, generate governance and digital transformation.



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Cybersecurity and Gambling

CYBERATTACKS CAN COST COMPANIES USD 4.4 MILLION

After a turbulent 2023 due to a cyberattack on the MGM group, an increasing number of companies in the industry have become very aware of the importance of cybersecurity. According to an IBM report, losses recorded from cyberattacks have grown by 15% in the last 3 years.

As companies handle an increasing amount of data over the Internet, their vulnerability to cybercrimes grows proportionally. Cybersecurity Ventures projects that the annual cost of cybercrimes will reach USD 10.5 trillion by 2025. This underscores the magnitude of the financial challenges faced by casinos as they

progress towards the total digitization of their offerings.

THE COST OF CYBERCRIME, IN FIGURES

This impact is also reflected in the IBM Cost of a Data Breach Report 2023, revealing that the global average financial impact of a data breach in an

organization is USD 4.4 million, representing a 15% increase over the last three years. Gartner analysts' predictions are equally alarming, anticipating that 45% of global organizations will be affected in some way by supply chain attacks in the next two years.

These figures emphasize the urgent need for effective cybersecurity strat-

egies to safeguard the financial and operational integrity of companies in an increasingly interconnected world. In fact, at the Davos conference, the World Economic Forum's Global Risks Report 2023 highlighted cybersecurity as one of the current and future key risks worldwide.

THE MOST RESONANT ATTACK OF 2023

An example of the importance of cybersecurity in casinos is the mega-hack that occurred last year at the MGM group, resulting in losses of over 100 million dollars.

It all began on August 23 when the cybercriminal group Scattered Spider stole data from the Caesars Palace customer rewards program. Apparently, the group attempted to access the slot machine system, but when thwarted, they retained the data to exchange it for a sum in cryptocurrency.

In the following days, the problems escalated. In other casinos of the firm, such as the iconic MGM Grand in Las Vegas, digital room keys and slot machines did not function. Even the websites of their numerous properties were offline for a period of time. Guests had to wait in long lines for hours to check-in and obtain physical room keys. People who won at the casino received handwritten receipts, as the company switched to manual mode to remain as operational as possible.

Months later, it was revealed that the database included Social Security numbers, driver's licenses, full names, and birthdates. Although there was no evidence of access to payment card or bank account data, the company has guaranteed to offer free credit monitoring for those affected by the breach.

HOTELS AND CASINOS IN THE CROSSHAIRS OF CYBERCRIMINALS

After the banking and health sectors, industries related to leisure, particularly hotels and casinos, are among those with the highest number of attacks. This predisposition is compounded by the trend toward the

digitization of the land-based sector, increasing the number of assets vulnerable to an attack. Traditional casinos take on this risk by digitizing databases and employee information, or even by offering online gaming services.

»»» The mega-hack that occurred last year at the MGM group resulted in losses of over 100 million dollars.

Amit Sharma, Chief Executive Officer of BIG Cyber, the cybersecurity company part of BMM Innovation Group (BIG) along with BMM Testlabs, explains it as follows: "We have seen an uptick in the number of attacks in the industry. There could be several reasons why the casino industry is more vulnerable to cybercriminals. One likely reason is the nature of the business and the money flow through the casinos; that alone makes them a prime target for cybercriminals."

When asked about measures operators can take to prevent an attack,

the expert replied: "The No. 1 step that an online or land-based casino can take in preventing cyberattacks is to partner with a highly reputable company that offers end-to-end cybersecurity solutions."

"Operators should look for a three-pronged approach, starting with a company that offers the technology to monitor, detect, and respond to threats on a 24/7/365 basis so that problems can be isolated and addressed within seconds; secondly, a company that is equipped to train and educate their staff; and thirdly, a company that can help improve the operator's processes and incident response plans," the expert told Revista CASINO.

PROPORTIONALITY: IF HACKERS USE AI, CASINOS SHOULD USE IT TOO

Artificial intelligence (AI) is an increasingly important tool for preventing cyberattacks. As cybercriminals employ it more in their actions, it becomes impossible for companies to keep up with the frequency of breaches without utilizing it.

"Businesses should look for a cybersecurity partner that employs AI and Machine Learning engines to detect threats, provide fast incident response,



Amit Sharma,
CEO - Big Cyber (BMM).

fortify defenses against digital threats, and ensure that any business is well-positioned to secure cyber insurance. The best cybersecurity solutions augment the knowledge and experience of cyber professionals with AI Machine Learning tools to analyze data and recognize patterns of behavior that humans might miss, thus identifying potential security breaches in real-time. AI is a powerful tool," stated Big Cyber CEO.

According to the IBM Cost of a Data Breach Report 2023, artificial intelligence and security automation have proven to be significant investments in reducing costs and minimizing the time for identification and breach containment.

Organizations that leveraged AI experienced, on average, a 108-day shorter time for identifying and containing security breaches. They also reported attack costs USD 1.76 million lower compared to organizations that did not use AI and security automation capabilities.

This is crucial, as these losses directly impact the products and services offered by the attacked companies. 57% of those surveyed by IBM indicate that data breaches have led to an increase in the prices of their commercial offerings, redirecting costs to consumers.

»»»» **"We have seen an uptick in the number of attacks in the industry."**
- Amit Sharma,
BIG Cyber.

FACIAL RECOGNITION: HOW CAN CASINOS LEVERAGE IT?

Some land-based operators already use this tool to identify criminals or individuals previously excluded from their gaming rooms. However, it is still

an evolving technology. This means that as artificial intelligence advances, facial recognition capabilities also move forward.

Tools using this technology could be very useful in the online sector. For example, the Entertainment Software Rating Board (ESRB) suggests the use of facial recognition algorithms to verify the ages of players. The goal is to restrict minors' access to inappropriate content, strengthening online security, and avoiding potential legality issues with minors gambling.

However, its application in the online sector is far from extensive. This is partly due to the implications around sensitive data storage. Notably, in July 2023, the European Parliament introduced strict legislation on facial recognition in public places. This means that laws related to privacy and data protection could hinder the application of this technology. In 2024, everything remains to be seen.



Interior of Caesars Palace, one of the casinos affected by the hack.

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