

The next big thing

With the online bingo market starting to gain impetus and no clear global leader, we talk to key players concerning what's in store for the world's two fat ladies



There are few things in the online world that everyone agrees on, but it seems that the massive growth of interactive bingo is one of them. While still in its infancy, online bingo certainly has an impressive potential for future growth and the figures are out there that predict play for cash bingo websites increasing 400 per cent in the next few years. While making greedy reading, we asked four key bingo figureheads just what they see as the potential and promise of the online bingo bandwagon.

On the current bingo focus

PF: Bingo is being seen as 'the next big thing' in online gaming and a hot topic for the industry. The truth is that it has been around for a while and indeed multi-player online bingo has been alive and well since early 1998. Bingo has long-

been a 'best-kept secret' in online gaming. However, as lifetime values and player life spans have reduced in the online casino world, operators have started looking for alternative revenue sources. Bingo has longer player life spans, higher lifetime value and crucially, much less competition. It therefore looks like an opportunity to those casino operators.

SF: I see the focus turning to bingo for several reasons, the most important being the mass appeal of bingo, which obviously means fast growth, especially since more and more people are getting comfortable on the internet. Second, as the casino market becomes more saturated, operators are turning to new and exciting offerings to keep players interested.

These operators are looking hard for new markets and new ways to increase

stagnant revenues. The special challenges and requirements that give bingo an international angle are:

- Different language options
- Networking the bingo games in order to provide bigger jackpots to players and reduce costs for companies
- Marketing the games to people of different nationalities requires some care when choosing the right channels and approaches

AT: There are number of reasons for this, but the most important is the market saturation and tough trading conditions currently being experienced by existing online casinos and sportsbook operators.

AB: Casino and sportsbetting sites were the first gaming sites that we saw on the internet, and the estimated number of

Future horizons where next for the online bingo market?

PF: The immediate future for the online bingo industry looks rosy. The increasing competitiveness in the casino market is driving the launching of more and more bingo sites. This increased competition, and alongside it an increased number of software providers, will hopefully ensure that quality remains at the top of the everyone's agendas meaning players getting a better offering. The danger is that casino operators will simply translate their 'hard-nosed' male-audience, biased marketing and operations to what is a 'softer' female biased 'fun' game. This will cause problems to online bingo's core player base.

SF: At Bingo Entertainment, which is a management and marketing company, we believe that the next step for the online bingo market is to widen its appeal to different nationalities and to different target markets. Land-based 'bingosinos' could become a new online trend, combining casino games and bingo games in one place, for example.

AT: Internet bingo is one of the most underserved markets in the internet gaming market - while there are over 500+ casino operators there remains only 30+ bingo operators - and this market is growing aggressively, as we speak.

AB: The vast majority of current bingo players online are North Americans. I think that the international market will grow and become a greater portion of revenue for our operators. Games like 90 ball bingo which we are launching next month, will bring a form of bingo to the web that is played internationally from Mexico to England and many other countries. We will also be providing linked jackpot games, and this is similar to what land-based halls do with their satellite games. I expect that all of our clients will be able to offer a weekly jackpot game that will be linked together amongst many different operators.

Bingo is also being taken across different mediums like interactive digital television and wireless devices. We are working with key partners to provide entertainment to the players across all of the platforms that are available. Land-based operators are getting involved in the business. The UK will become a leader in the online gaming industry including bingo, as it moves to regulate the business, attracting operators away from Banana Republics like Costa Rica and Belize. I hope that other first-world countries will follow this lead.



Coming to a computer near you: a million variations of bingo, keno and their myriad of themed games

sites is anywhere from 1,200 to 2,000, making the competition to reach players is fierce. There are currently 50 or so bingo sites online, though that number is expected to grow quickly. We expect that in the next few years, up to 1 per cent of the land-based bingo market could move onto the internet, representing a possible \$700 million annual market.

Bingo is one of the top forms of entertainment in the world, and in the United States alone, it surpassed each of movies, bowling, casinos and sports in annual visits. Bingo is a much more profitable business model for the operator, with sites retaining over 80 per cent to 85 per cent of monthly deposits. And players are extremely loyal.

Building a successful player-to-player bingo site

PF: The key considerations are exactly the same as building a successful online casino site. Good user experience is key. A player having a bad experience with one game, can, and very easily will, change to an alternative. That means that quality software, graphics, game play, customer support, easy account crediting, fast payout and excellent customer support are all essential. All the skills that the online casino industry has learnt and perfected over the years come into play. The other key concern for operators in

building a successful site is how to advertise to the target audience.

SF: The key is choosing enthusiastic and professional technical support and chat masters, creating state-of-the-art graphics, smoothly functioning administration systems and prompt payouts. The ultimate key is building the community, which takes a lot of time and care, and is not easy to get right.

AT: Internet bingo is pure show business. It's all about entertainment, community and an opportunity to win those big cash jackpots. Bingo's got a comfort zone around it that other online casino games may not have. There isn't much of a learning curve for the player either which adds to the game's appeal. Unlike casinos, the quality of the chat team makes or breaks the success of a bingo hall. Bingo chat staff are active in the chat rooms right along with players 24 hours a day ensuring people are happy, informed, and primed to spend and spend.

Skillful promotions and specials ensure that all games are entertaining, and prize pots and patterns are optimised to ensure maximum win for the operator. Good bingo sites keep their players actively playing for four to five hours per day, four or five times a week. A happy bingo player is a

loyal bingo player, and smart operators see their player base growing and their revenue per player rising every month. Low churn, steady growth and consistent deposits all add up to a business model that's hard to beat.

AB: Customer support is critical. The saying, 'If we don't look after the customers, someone else will', is very true in bingo. The player motivation is different than other forms of wagering. Players are drawn to the community aspect of the game and the entertainment value. Chat masters, contests and promotions are all important for a vibrant, popular site. If you look at many bingo sites, you will see a photo gallery of the players. They are proud to belong to the site and community.

Unique proposition for online gaming

PF: These start with the game itself. Think about bingo and ask if it is even perceived as gambling? Because most people perceive it as no more than a little bit of paid for fun with the opportunity to win a prize, that is how its whole being is.

SF: Bingo is a unique proposition for online gaming because of exceptionally high profits, good opportunities for developing theme games to excite players. Players are pretty loyal, and although they

are mostly women, a growing number of them are men. It's also important to note that bingo in general has far fewer problems with player chargebacks than the casino industry.

AT: Bingo is a universal game. Right now, internet bingo is an untapped market. There are over 50 million regular bingo players in North America alone – which is more than attend movie theatres – with Europe being another huge untapped market. This massive market differs from the current target market of online casino and sportsbook operators, presenting very little threat of current player spend cannibalisation, while at the same time opening up a new profit centre.

AB: One of the very unique factors in bingo is the live, multiplayer aspect of the game. If a player is pleased or displeased about a site, they will make their thoughts known very vocally in the chat rooms. Players are seeking enjoyment, but bingo players are still competitive. Games now offer progressive jackpots that can grow to rival some slot machine prizes.

Bingo player profiles

PF: Although this is a very general analysis, online bingo is mainly played by women, who are aged 35 to 54 and are of middle to low income, based in North America. Again, being very simplistic, this is diametrically opposite to online casino, poker or sportsbook players who will tend to be male, aged 25 to 44, affluent and not only North American, but based in Europe and the Far East.

Interestingly the vast majority of online bingo players also play land-based bingo. You can often see players in bingo chat rooms talking about their winnings last night at bingo, or telling fellow players that they would have to leave the chat room as they were going out to play bingo. As one player recently commented, "It's just that I do love bingo."

SF: The profile of a bingo player is (usually) female, and anywhere between 25 and 85 years old. The crossover appeal to a bingo player is video poker and slots, and our new games, like Bingo Empire, have deluxe versions of these games.

AT: Internet bingo players profile:

- over 70 per cent female
- 80 per cent between 25 and 54
- 46 per cent income US\$40,000 or more
- 51 per cent college educated
- 50 per cent play at internet casinos

- 10 per cent play at internet sportsbooks
- 82 per cent prefer to avoid downloading gaming software

AB: In our experience, we find that bingo players are about 85 per cent to 90 per cent female and mostly between the ages of 30 and 55 years. It is also very often the case that their top interest is bingo above all else.

Online bingo trends

PF: As the market increases in size, then the tendency towards players being less loyal is inevitable. There are currently two important factors at work now in the online bingo world:

- New sites which are driving hard at new player recruitment
- Existing sites battling for their current player retention

With the new site growth in bingo being driven by casino operators, then inevitably casino marketing ploys are being brought along. The main recruitment tools being used are free games and ever-increasing first deposit, and supplementary, deposit bonuses.

However, unlike the casino market, many players are not just 'in it for the money' and they will not switch purely for a few pieces of silver. Having said that bingo is starting to see the increase of bonus hunters – fuelled by the ever-increasing offers – and some comparatively harder gamblers.

Thus those experienced bingo sites that are effecting retention campaigns are basing them on community and customer support and loyalty bonuses based around games, prizes (cars, holidays, PCs and) and funded pots.

SF: The trends we are seeing include a great deal of interest

in slots, and video poker and other accompanying games. Bingo players are likely to be loyal because they enjoy visiting with their online friends daily, and keeping each other company as they play.

AT: Currently, 65 per cent of our players spend over four hours online each day with an affinity play slots. Bingo players love the special promotions and chat games. They are playing online bingo to have fun and to win large prizes! Therefore the magic formula is: the bigger the prizes, the more players there are, the more cards purchased, the bigger the prizes, the more players...

AB: Bingo players are very loyal, they invite their friends to play, taking advantage of the various refer-a-friend programmes that our clients offer. Almost half will have been members for over a year, and more than half of the players would play three to six times per week – and 75 per cent of online players also play at bingo halls, though not as frequently. More than half of online players play from one to six hours per session.

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Sarah Fenwick is business development manager of Bingo Entertainment Ltd, and has worked in the fields of marketing, business development and entertainment promotion for ten years. Founded in 1999, Bingo Entertainment Ltd has now expanded to an international staff of over 60, and has delivered financial performance of the highest standard.

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Phil Fraser has written and spoken on the emerging growth of online bingo in a variety of publications for i-ludus. i-ludus Consulting offers strategic direction and marketing services to companies looking to develop online gambling businesses, specialising in online bingo and interim project management on online gaming projects.

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Adi Tarkay is director of business development for BingoWorkz, the world bingo network. The idea behind the network is to create a network of bingo licensees all feeding players into one giant game. The bigger the network, the greater the number of players, the more cards purchased, the bigger the cash prizes and profits.