

Hitting the target

As US online operators ramp up their marketing efforts, Martyn Hannah looks at how they can pinpoint the most lucrative player demographics by thinking outside of the box

What do a pair of Jay-Z concert tickets, a road trip with the New Jersey Devils, and courtside seats to the next Philadelphia 76ers game have in common? They are all, believe it or not, prizes up for grabs to players simply logging-on to the PartyPoker site in New Jersey. They form part of one of the biggest marketing coups in the history of US egaming, which saw PartyPoker, bwin.party's poker brand, sign a lucrative multi-million dollar deal with the 76ers and the Devils.

The deal, reported to be worth more than US\$10m per year, is the first time an online gambling operator has joined forces with a US sports team. It is also the first genuinely headline-grabbing piece of marketing by an online operator in New Jersey since egaming went live last November. The multi-year, multi-media deal will see PartyPoker branding around both teams' arenas, as well as the introduction of stations where fans can sign-up and sample its products and receive special offers.

Other online operators were quick to return fire with their own marketing stunts, with 888 reputedly offering New York Giants wide-receiver Hakeem Nicks – who plays with the number 88 shirt – \$88,800 to legally change his name to 888.com. Although nothing more than a marketing gimmick, it shows how online operators are prepared to pull out all the stops when it comes to out-doing their rival's marketing efforts in the fight to get their brand noticed.

Marketing has taken on an even greater significance since the New Jersey Division of Gaming Enforcement released revenue figures for the first month of egaming. Revenues generated in December – \$7.4m in total – were way below previous estimates and knocked the wind out of the sails of anyone who thought egaming was going to be an easy way of making a boat load of money.

New Jersey customers have an array of brands to choose from. Some are old favorites, such as the Borgata and the Golden Nugget, while others such as Betfair are new to the market and will need to be patient if they are to chip away at the early market lead enjoyed by the likes of PartyPoker and Caesars with its WSOP.com site. All operators in this fledgling market, however, will need to work, and invest, on creating a sustainable, trusted brand.

Taking aim

But what makes a good marketing campaign? "I would say it starts with clearly defining your objectives, so what you are going to accomplish, who your target audience is, and ultimately what you want them to think, do, or feel when they see the marketing that you are creating," says Jim Gentleman, senior vice-president of account management and strategy at advertising agency SK+G, which works with the Borgata in New Jersey.

"In today's world we live in a fragmented media society where people have literally hundreds of thousands of media choices, with many of them

trying to avoid advertising. So it's all about creating work that is informative, but also entertains and engages," he adds.

The good news for egaming operators is that they are already doing this for their offline businesses and products. As such, they are armed with vital knowledge and understanding of the different demographics and player types that frequent their land-based properties, with reams of data relating to gender, age, income and employment status, as well as psychographic descriptions of their lifestyles, hobbies, likes and dislikes.

Therefore, the challenge is leveraging this information to create marketing initiatives that appeal to the players most likely to convert their land-based play into the online realm. There are five main marketing channels available to operators: online, offline, social media, sports partnerships and brand ambassadors. Each channel has a different reach, targeting a different demographic, with different associated costs and returns on investment.

Laying it on the line

Online marketing refers to any marketing or advertising program targeting users online, regardless of the platform. This includes: digital display ads, pay per click, organic search engine optimization, mobile marketing, social media, direct email and affiliate marketing, and digital content creation. The best campaigns include partnerships and associations with other brands that fit an online operator's target customer profile or demographic.

Online advertising can be used to reach a broad range of player demographics. By tapping into people's location, behavior, browsing history and

tailored content, online operators can target specific player profiles. For example, online casinos trying to reach potential poker players will use sports oriented sites like Yahoo! Sports and ESPN to feature their adverts, based on their male-dominated reader demographic.

A key benefit of an online campaign is that the metrics are easy to gauge, making it the ideal test bed for operators, marketers and creative agencies to perfect their campaigns. Operators can track how many views, clicks, customer sign-ups and deposits have come as a direct result of the campaign, vital in learning what is and isn't working, and what returns they are seeing from their initial marketing investments.

"It is trial and error to find out what does work and what doesn't work, and what brings in the right audience. It also takes time to figure out what creative works and what messages bring in the customer, whether relating to products or promotions," says Gareth Edwards, egaming consultant and former director of marketing at 888poker.

"The beauty of online marketing is the wealth of data, demographic and analytical, available to guide decisions and optimize campaigns. You can, in real time, identify target groups, serve adverts, and optimize them based on countless metrics to accomplish campaign objectives," adds Joe Versaci, chief marketing officer at Ultimate Gaming.

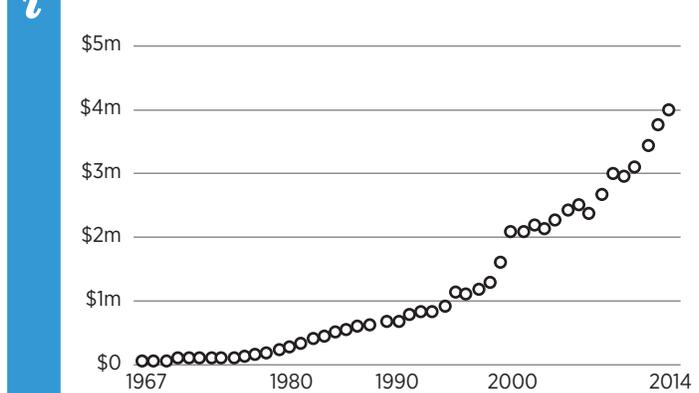
Operators have been quick to launch their online campaigns on their own websites. This is due in part to the immediacy of the medium, and the likelihood of converting a player visiting an operator's website into a real-money internet gambler. The Borgata, for example, has devoted half of its website homepage to its BorgataPoker.com and BorgataCasino.com egaming websites, in a bid to push players already in the online space onto its real-money platforms.

"One of the main benefits of online advertising in the interactive gaming space is that the games take place online, therefore locating or, at the very least, pre-qualifying your prospects with online users is a critical step toward increasing your chances of a direct response and ultimately player conversion," says Versaci.

Back to basics

If online channels are used to target players already aware of egaming, offline mediums – including billboards and radio – are used to bring new players into the market. It is less precise than online marketing, but has a much wider reach.

AVERAGE COST OF 30-SECOND SUPER BOWL AD



Source: Bloomberg

"You can target a lot more people through of-line," says Edwards. "You get your message across to a much broader audience and can develop a brand much easier."

That's not to say TV campaigns can't be used to reach a specific demographic. For example, operators looking to drive online slot play might target female-friendly TV networks such as Bravo, E!, and the Food Network to generate interest and encourage sign-ups.

TV advertising certainly isn't cheap, with a single 30-second slot on a network channel costing around \$475,000 during American Idol, to upwards of \$3.5m during the Super Bowl. This is money well spent if online operators are able to turn viewers into sign-ups.

"The indirect result of television advertising goes far beyond any other channel in terms of creating credibility and building a solid brand in the market," says Rob Gallo, president at consultancy Peak Gaming Group.

Operators can always offset the high-cost of a televised campaign with the low-cost method of using their land-based assets to reach thousands of people and draw them to their gaming sites. When Caesars launched its WSOP site in Nevada last September, it put the WSOP.com logo on all of its room keys, targeting tens of thousands of people at a time.

Betfair, a new entrant into the gambling market in the Garden State, started its marketing efforts with a bold campaign just a few weeks after egaming went live, targeting commuters at the Port Imperial Ferry Terminal in New Jersey by handing out yellow t-shirts, mugs and badges with its "Lets Player NJ" tag line. The urgency with which they launched the campaign reflects the need for new operators to establish themselves in the New Jersey market and build brand equity.

What's more, smart out-of-home and print adverts can now be interactive thanks to new technology like augmented reality, reaching people during their normal daily routines and driving them online.

"Land-based casino activation is a no brainer as it allows us to target a super qualified audience likely to play online when they can't go to the bricks-and-mortar casino," says Thomas Winter, VP of online gaming at Landry's, which operates the Golden Nugget in New Jersey.

"Beyond this, we believe the right mix is made of TV and digital. TV allows us to build awareness and digital to convert. Both also allow us to retain and reactivate existing players via top-of-mind awareness and retargeting," he adds.



Jim Gentleman of ad agency SK+G

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JIM GENTLEMAN, SK+G



THE PRICE OF FAME



Singer **Beyoncé Knowles** signed a \$50m deal with Pepsi in 2012



Miami Heat player **LeBron James** signed a \$93m deal with Nike in 2003



Usain Bolt, the world's fastest man, earns \$8.6m a year from his deal with sports brand Puma

Get social

While social media usage extends across a broad demographic, from teenagers to 80-year-olds, the most active users and content generators of social media are those in their twenties and thirties.

This young, tech-savvy demographic is very much aware of the advertising and marketing they are subjected to, and therefore respond better to campaigns that use social media for content creation rather than a direct advertising platform.

For example, by creating videos on Vine and content on sites like Facebook, Instagram and Twitter from celebrity types with gaming proclivity, operators can easily garner interest for their online casino brands. Such videos, which carry relatively low production costs compared to other mediums, can be seen by millions of people if they go viral.

"Normally I'm big on content and creating conversations around a brand or with your user base. I feel this is the most direct and authentic way to market most products. That said, I'm warming to the idea of guerilla marketing and experiential campaigns in Nevada and New Jersey," says Versaci.

Perhaps most importantly, however, social media can be used as a communication tool between players and the online platforms provided by operators. "Facebook has changed the way people do business with online companies. It gives the average consumer a place to voice his or her opinion about the service being provided," says Gallo.

Betfair has used its Twitter profile to create a dialogue with its players. Apart from advertising the different games available to online play-

ers in the state, it asks questions such as “where is the most interesting place you have played on your phone” and “Finish this sentence: My biggest superstition is ____”. This creates a brand personality, one which social media users can identify with.

The platform provider, which has partnered with the Trump Plaza in New Jersey, also uses its Twitter account to piggy-back on major news stories. For example, it created an advert with the tagline “Polar Vortex: Nature’s way of saying stay in and play online casino” after the recent snowstorms in the US. This highlights the immediacy of social media, and how operators should think outside the box when promoting products and platforms.

“One of the benefits of social is that we’re able to chat directly with the consumer, answer their questions, and let them know about events and promotions that may not be high-profile enough to make it into a TV spot. We’re also providing current fans with content that is easily shareable, so they can bring their social circles into the Betfair fold,” says Shawn Thornton, VIP executive at Betfair.

“Additionally, we can use social as an always-on touch point to build our brand identity with a US community who may not already be familiar with Betfair. That would be the big point of differentiation between us and our competitors – we’re focused on building up Betfair’s brand and attitude in the state. For example, on Twitter we’ve been chiming in on cultural conversations that may be outside the purview of the online gaming space, but fit within Betfair’s personality,” he adds.

Like online, one of the key advantages of a social media campaign is the availability of metrics relating to the number of people who have seen the advert, clicked through to the site, and created an online gaming account. This feedback is vital for operators trying to streamline and finesse their marketing campaigns, and make them as cost-effective as possible.

Sporting chance

As they have done in Europe for sports betting brands in recent years, sports partnerships can offer online casinos the benefit of positive association and alignment with passion-backed brands. Bwin.party has sponsored soccer teams like Manchester United, Bayern Munich and Real Madrid, while Irish operator Paddy Power is the official betting partner of Manchester City Football Club.

While skewed slightly male in terms of fan base, sports partnerships work especially well for local or regional marketers. For example, Nevada-based operators may look to partner with the local baseball team, the Las Vegas 51’s, to develop fan promotions



POWER OF SOCIAL MEDIA Source: Unruly Media

Top 10 brands of 2013		
Position	Brand	Shares in 2013*
1	Samsung	7,303,956
2	GEICO	4,933,709
3	Dove	4,523,895
4	Pepsi	4,021,743
5	Budweiser	3,863,901
6	Red Bull	3,747,272
7	Evian	3,705,072
8	Kmart	3,399,983
9	Cornetto	3,386,541
10	EA	3,385,029

*includes retweets on Twitter and Facebook shares

involving players, tickets or special events that ultimately lead to exposure and increase awareness for its online brands.

Ultimate Gaming has used this model to maximize its partnership with the Ultimate Fighting Championship (UFC). The online operator has gained exposure for its brand on a regular basis through UFC events and media opportunities.

“It was integral to date and will become even more valuable as we enter new jurisdictions or expand our product offering. As a new brand we can use the UFC to reach millions of viewers that are directly in our core demographic,” says Versaci.

“In addition, the UFC has been a great resource to put us in touch with other partners who have been critical in helping build our social media following and digital strategy. They have such a huge following and have been in the digital content and conversation business for a long time,” he adds.

Brand ambassadors

People relate best to other people. With this in mind brand ambassadors – whether from an entertainment, sports or pop culture background – can help online marketers capture the attention of desired audiences.

In the past, gaming mogul Steve Wynn has partnered with the likes of Frank Sinatra, Dolly Parton and Kenny Rogers to promote his casinos. Today, online poker sites are more likely to sponsor top poker players like Antonio Esfandiari in a bid to draw fans and players to their online platforms.

Brand ambassadors can be expensive, with figures released by the New Jersey regulator revealing bwin.party paid pro poker player Michael Sexton payments of \$100,000-\$300,000 per year to represent the brand between 2009 and 2013.

“Sponsorship provides a different approach that

is unique for each brand and product,” says Joe Lupo, SVP of operations at the Borgata. “It is an expensive venture that speaks to a specific consumer, and therefore requires an individual approach for each brand.”

Brand ambassadors can also be used to reach people who may not have an online gaming account or are unaware they can gamble online. By using a celebrity or well-known figure, operators can reach a much broader audience, similar to that targeted through a TV campaign.

However, one of the main drawbacks to investing in brand ambassadors is that it’s hard to measure the success of the partnership, and more importantly an operator’s ROI.

“It is more of a branding exercise than a measurable return on investment,” says Gallo. “It is hard to gauge how many new customers you have from them seeing your brand on the boards of a hockey arena.”

Knowledge is power

The most powerful weapon in an operator’s arsenal is the knowledge it already has on player demographics and psychographics. This information is being used to effectively market to land-based players, but also provides the key to the demographics most likely to transfer to online gameplay, and the most efficient marketing channels through which to target them.

“Every channel has a core audience and demographic profile. The art is tailoring your message to the channel and giving yourself the best possible chance to resonate with the type of individual most likely to be consuming your advert on a given media channel,” says Versaci.

For example, PartyPoker’s sponsorship deal with the New Jersey Devils and the Philadelphia 76ers directly targets sports fans in states, or close to states, where internet gaming is legal. This demographic – predominantly male, aged 20-40 – is the same as your average poker player. Therefore, the channel and the target demographic match perfectly.

If online operators struggle to find this match they run the risk of wasting millions of dollars on an ineffective marketing campaign. Sure, there is an element of trial and error when it comes to new marketing initiatives, creatives, channels and styles, but operators should be keen to pass through this experimental stage quickly and build a campaign that works well.

Counting the costs

The cost of an online marketing campaign is different for every operator, and depends on the assets they have at their disposal, what they want to

achieve, and even what state they are advertising in – Nevada is thought to be more expensive than New Jersey. Initially, operators need to invest heavily on launching their product or platform, with costs ranging from hundreds of thousands of dollars into the millions of dollars.

“To have any affect, especially online, you have to look to spend over \$1m in the first few months,” says Edwards. “But as the campaign moves forwards it starts to cost less as people become more aware of the brand and the focus moves to player retention and loyalty.”

As such, the desired ROI will change throughout the different stages of the marketing lifecycle. At launch, where you are trying to drive player sign-ups and awareness, returns will be based on the number of new players logging on to the site. Six months in, the focus will shift to player retention and loyalty, with return based more on spend per play.

“At the beginning you are making an investment, it’s about driving awareness and player sign-ups. You want to build that online database. After that you are going to expect that your million dollar investment is going to return more than a million dollars in revenue,” says Gentleman.

One thing’s for sure, operators are going to need deep pockets as regulated internet gambling continues to spread across North America. For every new state that comes online, operators will have a new market in which to advertise their products and platforms. State compacts will also have an impact on marketing spend, with operators having to fund campaigns across state lines in increasingly expensive media markets.

In some respects, marketing is a vicious circle. In order to grow egaming markets in the US and generate more significant revenues, operators are going to have to invest sizable sums of money in sophisticated advertising campaigns. The most successful will be those who, armed with their knowledge of player demographics, find the right marketing channels to reach the right people.

Brand power will also be a key factor, but perhaps more than anything the operators who will come out on top will be those who create a stir with their marketing efforts. In New Jersey, PartyPoker has certainly grabbed the bull, or indeed the devil, by the horns, and will no doubt reap the benefits of its ground-breaking marketing initiative over the coming months and years.

“You can be a market leader with a standard user experience but a large and well spent marketing investment. But a great user experience won’t make you a leading operator if it’s not backed with significant marketing investment,” says Winter. ■