

So you want to run a Gambling site?

Well, now you can!

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1 The Gambling Industry



In the past decade, the world of online gambling has experienced an explosion in popularity.

At the end of 2016, the industry was worth around \$41.78bn and is predicted to rise to \$80bn by the start of 2021. Put another way, **11% of total internet traffic comes from the sector.**

So why has it become so popular and will the trend continue?

By the tail end of 2017, the global gaming industry – that is land-based as well as online - hit an incredible \$107bn – **more than the total spent on film and music for the year combined!**

One of the main reasons for the increase is the development of technology over the last few years. It is now possible in the majority of the world to play on your mobile device and any time and in any location.

The mobile product made up around 45% of the total market in 2017, up 20% from the year before. This trend is expected to increase as technology improves even further.

The average person spends 40-hour week on their mobile so you can see the benefits to all gambling operators in providing quality products be it from a casino, sports, poker, bingo or daily fantasy sports perspective.

Gambling - whether remote or land-based - has never been viewed as much as a genuine form of entertainment until now. The interaction and rewards you can get from playing casino games, making sports bets, entering bingo games or poker tournaments is like nothing available anywhere else. Watching a film or listening to music just doesn't cut it anymore.

The demographics taking part in online gambling are becoming more diverse – the older generation are more tech-savvy and therefore more likely to partake whilst the younger generation have grown up using mobile devices and are now second nature to them.

The increase in gambling firms sponsoring major sports teams and events filters down through the industry – yes, they get plenty of new players to their brand, but it also gets the idea of gambling in front of many people that may not have considered the idea before.

With some previous nations accepting the idea of gambling and introducing new regulations to allow it, the likelihood of some major nations following suit sometime in the medium-term future (think USA for that point) and some other huge, untapped markets opening up, there really has never been a better time to invest in the world of gambling and to ensure you get a piece of the action too.

This e-book aims to give you a very brief insight into what it takes to run a successful site. It may sound involved and complicated, but it is important to note that there are firms around – such as Grabbit Gaming – who can be with you every step of the way and advise and assist as much or as little as you want.

There are very few industries with the huge potential of the gambling industry which looks set to grow and grow for the foreseeable future.

2 Products

So, you want an online gaming site? Great! Where to start...



Take a look at any online gaming site on the internet at random, and the chances are extremely high that they will have an online Casino. This is the most popular product by some way with online gaming sites, and once set up, is fairly simple to run.

However, as the player is competing directly against you, the 'House', it is possible you could lose money, especially in the short term when you may not have that many players. Live Casino follows a similar vein but has a live video stream where players can watch the croupier/dealer in real time and communicate with them, the same as they would in a land-based casino.

The same goes for a Sportsbook – Players sign up, deposit funds and place bets. If they lose, the site keeps the money, if the player wins, the site pays them out from their own funds.

There are 3 products however that are P2P – Player to Player. The site will never make a loss on these products, as players compete against each other and the site simply takes a small %.

In Poker, this is called the Rake for cash games and a Fee for tournaments. There are costs, of course, it is usual to offer players a welcome bonus which is released in increments when the players pay a set amount of Rake or Fees – this is often paid back as a % of those paid by the player. It is normal to offer Guaranteed tournaments – those that pay out a minimum amount even if not that many players register – and Freerolls which are tournaments where the player doesn't pay an entry fee but can win real money paid for by the site.

Bingo is a similar product to Poker in that players compete against each other and the site simply takes a % of ticket sales for each game. With Bingo though it is normal for players to be given a welcome bonus when they deposit for the first time, they then need to pay a certain amount on Bingo tickets before they can withdraw.

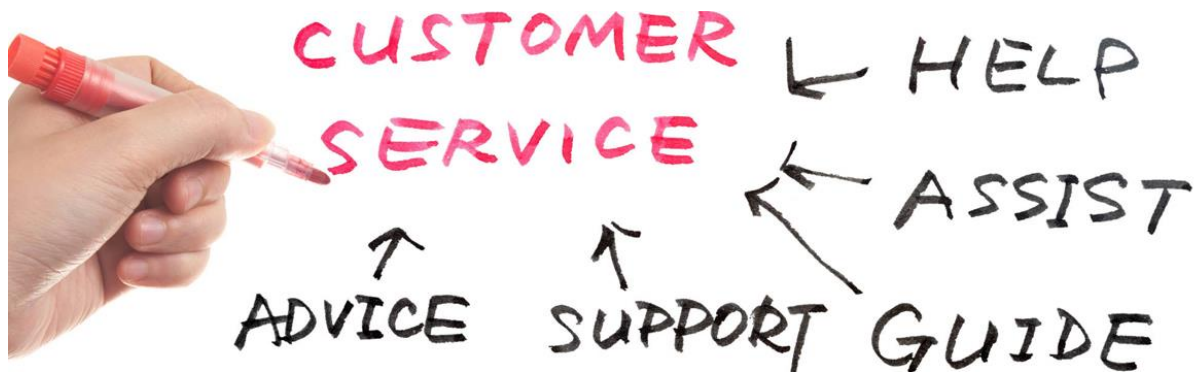
A third P2P product which is increasing in popularity is Daily Fantasy Sports – an example of this is a football match where players pay a set amount to enter, choose 5 players and are then given points for every completed pass, tackle, shot and goal and deducted points for a foul, card, own goal and misplaced pass.

One of the first things to consider when starting up an online gaming site is which of these you want to offer, although demographics of the average player are similar for many products for some – mainly Bingo – they are very different.

It is possible although not always easy to get players to spend money on more than 1 or 2 products, and the more you have, the less money you will have marketing each individual product.

It is worth noting that you can always add more products further down the line once your site gets established and you see money coming in, depending on the finances you have to invest in a project like this, it may be best to start just with 1 or 2 products and concentrate on those, expanding later on when you have an income stream.

3 Customer Service



One of the most important aspects of any business, whether online, offline, retail or any other, is the customer service that you offer.

Without customers there would be no business, and without good customer support, there will be no customers – a dissatisfied customer tells on average 7 people who tell a further 7 people each. With the amount of social media options available today, customer service is more important than ever.

Keep your customers happy, and you can build up a good client base, annoy them and get bad comments on the likes of Facebook, Twitter, Instagram etc and things become a whole lot harder.

With an online gaming site, players can play 24 hours a day, 7 days a week.

Whilst not essential to a new start up to have 24/7 customer support, it certainly helps if you can deal with a customer query straight away.

Live Chat is the most popular way for players to contact you – they are already online and on your site/software so this is a quick and easy method – it is also important to have email support for those who aren't as confident on a computer. Plenty of sites still offer telephone support but this is becoming a less popular way of communicating, especially for the 24 – 35-year-old age group who make up the largest part of the customer base for online gaming sites.

Depending on how you choose to open your online gaming site – options are outlined later in this document – your software provider may offer full customer support for you. Failing this, there are several online gaming companies that offer customer support via a number of methods and different languages that are worth considering unless you have a lot of capital to invest for launch and would like your own offices.

A standard customer service department would need a minimum of 8 to 10 agents and a customer service manager, more than this if you are going to be offering 24/7 support.

4 Marketing



Having a high quality and well-trained customer service team is without vitally important and certainly aids retention and increases average lifetime player value if done well, but another crucial aspect is how do you get players to the site in the first place?

There are so many online gaming sites available to players, some huge household names making millions of pounds every month, some just starting out with very limited budgets, so how do you get them to come and play at your site as opposed to all the others available?

One of the first things you need to consider is getting your branding right, giving the site a memorable name that players will like and giving it a unique voice.

A USP – Unique Selling Point – is a massive advantage as it will give players a reason to play at your site over many others, an example of this is a brand new poker site that has just launched which uses real decks of cards as opposed to an RNG – Random Number Generator – to determine the outcome of hands. All you have to do is a small amount of research and you will see that many players dislike and distrust the RNG s they don't feel it gives the same outcome as real poker – this site immediately has a huge advantage against other poker sites.

Once you have found a good USP – whether it is unique promotions, a new technology, an all-singing-all-dancing website or something else, you need to make sure you get this message across to potential new players.

If you don't have a USP then it isn't the end of the world, it just realistically means you may find it harder to attract new players to the site. That makes other areas such as customer service even more important to get right to increase your retention rates and reduce churn.

There are many different marketing methods you can use to get players to the site, some are very low cost such as good and regularly updated content to ensure your SEO – Search Engine Optimisation – is as good as possible, therefore getting your site higher up the rankings on the biggest search engines for the most popular search terms, good social media content, an enticing welcome bonus etc right up to methods that can cost tens of thousands of pounds such as TV ads, sponsorship deals with sports teams, paying a high profile figure to endorse your brand etc.

The strategy you need to work with really depends on your marketing budget and will be different for everyone.

Getting independent 3rd party advice from experienced people from within the industry who have done it, seen it and got the T Shirt – another low-cost way to advertise 😊 – can be invaluable to your long-term strategy.

5 Operations



The Operations team may not be focussed directly on players, but it is still an important part of an online gaming business.

For a Poker site, it includes the setting up of tournaments including buy in, fee, starting chips, blind levels, rebuy and add ons, late registration, start time, guarantee etc. When setting these up, 1 minor error could cause the tournament to finish incorrectly giving not just angry customers but a bad reputation for the site.

It also includes the setting up of bonuses for all products, including any welcome bonus for Sports, Casino, Poker, Bingo, Daily Fantasy Sports and/or Live Casino – depending on the products you choose to go with – and can involve setting up turnover requirements, maximum/minimum amounts for the bonus, what games count at what % for turnover requirements plus more. You can also offer free spins for Casino slots, Refer a Friend bonus, Loyalty Scheme, Reload Bonuses, VIP Bonuses to name but a few.

The Operations side is one that can often be overlooked for new sites, not just in online gaming, but this is just as important to consider as all other departments – they all work together hand-in-hand and if one doesn't work as well as it should, it affects all the others and can easily have a detrimental effect on the bottom line ROI.

6 CRM



CRM stands for Customer Relationship Management.

This includes how you communicate with your customers, what message you send them depending on their actions, how you try and entice players that haven't played for a while back to your site and how you try to encourage those that do play to try other products.

An important part of this is a Customer Life Cycle for new players. For example, if someone opens an account, deposits and starts playing straight away, then great! That is the kind of player you want.

However, not many players do this, some simply open an account and then don't do anything. You are going to want to set up a system that will email them after, say, 48 hours if they haven't deposited, reminding them of their username and of the welcome bonuses that are available to them.

If they still don't deposit after 5 days, you may want to contact them again by email offering them a tournament ticket if you have Poker or free spins if you have Casino on top of the standard welcome bonus if they deposit in the next 24 hours.

That's the kind of thing you need to think about for new players, for established players that haven't played for 2/3 weeks, you can offer them a reload bonus if they don't have funds in their account or remind them that they have funds waiting for them to use if they do.

How about those that are playing nicely on one product? You can look to offer them a bonus for trying something else if you offer more than 1 product, possibly a free Sports bet for Casino players or a tournament ticket on the Poker if they only bet on Sports.

Finally, when new promotions come along – which they should on a regular basis – then it is good to send out a monthly newsletter to players with full details to encourage them to continue playing.

It is worth mentioning at this point that all players should have the option to opt out of receiving emails/texts/letters/phone calls which you will need to respect. This does make it harder to get the message out to players but is something they have the right to request.

That, in a nutshell, is the CRM side of the business, many larger online gaming sites will have some 15/20 staff in this department alone, such as Retention Manager, Acquisition Manager, Content Manager and staff underneath each just concentrating on those particular areas.

7 Affiliates



We mentioned in the CRM section above about the acquisition side and having a department that deals with new players, a big part of many online gaming sites and one which can take up a lot of time and effort from yet another separate department, is the Affiliates.

Like most industries these days, there are many comparison sites around which look at lots of different online gaming sites, the promotions they offer, the software, the customer support, products etc and rate them accordingly.

Players will often look at these sites to see what online gaming sites there are out there that are rated highly for their favourite aspect of a site – more often than not this will be bonuses.

Those sites then have links and banners that take potential players to the individual online gaming site and will ‘tag’ that player if they open a new account.

Those comparison sites will have opened an Affiliate account previously at your online gaming site and will then be entitled to a % of revenue that you get from each of their players or an agreed amount when a player makes a set amount in deposits (for example, if a player deposits £20 the affiliate gets a payment of £40 and then nothing further from that player). This option is known as CPA – Cost per Acquisition. A third lesser used option is a hybrid version of the above 2, so normally a lower CPA plus an amount on a revenue share basis as well.

Personally, I don’t like the idea of giving away a % of the revenues from your players every time they play, but this can be an invaluable way for a small betting site with only a small marketing budget to get players signed up and playing without the need for a big marketing spend.

It is worth noting that affiliates expect the best of both worlds in that when their players lose they expect to be paid their revenue share but on the months that their players finish ahead they don’t expect to have to pay the operator a % of that players losses – this is known as No Negative Carry Over and means if the players from 1 affiliate have a winning month, the affiliate isn’t paid anything but doesn’t have to pay the operator either, earning it is down to the operator to pay out the full winnings.

The most time consuming part of running the affiliate side is designing banners in lots of different sizes as every affiliate site will be different and affiliates will expect a banner of their preferred size to be available for all the major bonuses. If you run your gaming site in more than 1 language which is important in this day and age, then you may well have to provide several different sizes of banners for each major promotion in each language.

There are 14 main sizes of banners which is the minimum affiliates will expect to be available. If you have your website in 4 different languages – for example English, Spanish, French and German – that is 56 different banners for every promotion you run. If you offer a welcome bonus, a regular reload bonus and a poker rake race, you are looking at over 150 banners – a very time consuming but important process.

On top of this, many affiliates will expect some unique reviews of your site to be written for them in return for them advertising your brand.

Whilst this is good in some ways as you can ensure all the information is correct and put a positive spin on your site, this is something else that can take time and if you have 3 or 4 affiliates who have 2 or 3 brands each who all want a review for each site of around 500/600 words in their own specific format – you can imagine how long this can take.

A standard affiliate department will consist of an affiliate manager who oversees things, 3/4 affiliate agents who deal directly with a number of affiliates, answering any queries they may have, writing any reviews that are requested, checking that the brand is shown as prominently as possible on affiliate websites, forwarding any banner requirements etc and 1 or 2 people responsible for the design of banners.

Someone from the finance team will also need to be responsible for making payments to affiliates on a set day each month. It is important that this is done in a timely manner and that there are 3 or 4 options for how payments are made such as Skrill, Neteller, Paypal or Bank Transfer – if there are any problems in payments then many affiliates will not be afraid to blacklist your brand on their site which will not only stop them from promoting it to any email lists that they may have but also putting off potential new players from joining due to the negative posts that the affiliate will put on their website/s.

8 VIPs



For a small betting site with a relatively low number of active players, one or two big players can make or break the site.

If you have 100 players all depositing £10 each month and 2 or 3 depositing £400/£500 those few players can make a real negative impact if they win a few thousand pounds from their deposit.

The smaller punters are your bread and butter and you certainly need them to survive but having a few bigger players who deposit large amounts each month can be the making of a site.

Yes, there is a chance they will win in the short term, but in the long term the site is always likely to win as the odds are in their favour.

The key thing is to engage with the bigger players and keep them happy even when they lose by offering them a % back of their losses, a reload bonus or giving them a target to work towards to earn certain items or cash amount.

VIP's will often expect faster customer support for when they need to contact the company as well as rapid payouts and higher bonuses – although you will find that a large number of bigger players prefer to play without a bonus so they can withdraw their funds and winnings at any time instead of being tied to the wagering requirements that can come with bonuses.

The best sites in terms of VIP's are those that engage with their top players and get to know them, wishing them a happy birthday, talking to them on the phone about their favourite football team or poker players and show them that they are important to the brand – many players that have a lot of money to spend will stay and play longer even when they lose if they feel valued.

9 Payments



This department is normally small and straightforward and is often combined with our next one, Fraud. It is, however, still vitally important as for many players the speed of withdrawals is a key factor on where to play.

The department is responsible for processing withdrawals on a regular basis, investigating any issues with deposits or withdrawals, chasing funds that have got lost between the payment provider and the players account and liaising with 3rd party providers regarding issues and updates.

They may also be responsible for flagging up any suspicious transactions for further investigation such as players that withdraw a deposit without playing, those that win a large amount when not playing for long and any transactions where the payment provider issues a warning.

As withdrawals should be processed 7 days a week wherever possible, the department would include 3 or 4 payment agents, a payments manager and possibly a head of finance who is responsible for this and other departments/

10 Fraud



The Fraud department is responsible for ensuring all play is above board, ensuring all payments are from a legal source and from the named cardholder, money laundering policies are followed and that KYC is requested and checked when necessary.

One of the main areas online gaming sites can see fraudulent activity, especially when the site is still new, is on the poker table.

As players are playing against each other, it is possible that stolen credit card details can be used to deposit large sums, then lost on the poker table to an accomplice of the fraudster who will then try and withdraw the winnings via their own payment method.

The poker team needs to be on top of this and to check any play – hand by hand – where there has been a large transfer of funds between 2 players or even from 2 or 3 players to 1 in particular.

This involves looking at any hand where there was a big pot and looking at the play and if anything suspicious took place, for example someone folding to a small bet on the river when there is a large pot, a player folding the 'nuts' – the best hand possible etc.

It is important to have staff who understand the game to carry out these checks to ensure the best possible chance of stopping the fraud as if the win and subsequent withdrawal goes unnoticed and the card holder realises, a chargeback could well be requested which means the poker site will need to reimburse the initial deposit from the stolen card as well as already paying out the withdrawal – the operator will be out of pocket and a few of these can have a large detrimental effect on the bottom line NGR (Net Gaming Revenue).

The Fraud team is also in charge of checking the documents sent in for KYC which can either be requested before a first withdrawal is processed or when the total deposits/withdrawals of a player reaches a certain threshold – this is normally a necessity for the relevant licence a gaming site needs and will help prevent money laundering and other fraudulent activity.

This involves checking the authenticity of any photo Id sent such as passport/Id card or drivers' licence, checking the player is resident at the address they have provided and that other details, such as date of birth and full name are correct.

Due to the time it can take to check these things, this department will often employ 4/5 fraud operators, a fraud manager and be overseen by the head of payments.

11 Licencing/Regulations



Every online gaming site, at least those that want to be in the market for the long term and to build a good reputation, need to be licenced by a jurisdiction that licences online gaming sites. The main ones within the industry are Malta, UK, Gibraltar, Isle of Man and Curacao.

Each one has their own pros and cons and not all sites licence play from every country.

To make things more complicated, many countries are now bringing out their own licences such as Spain, Sweden and Germany, which means any operator that wants to legally take players from these countries needs to apply for a licence separately to that countries government, pass due diligence, pay any set up/annual fees and agree to any conditions such as tax on players winnings, provide the government with details of any winnings over a set amount etc.

For this reason, more and more operators are employing someone especially to keep track of the latest developments in regulations worldwide, to manage the application process if the operator decides the cost and time is worth investing and to ensure the operators complies with all regulation going forward.

They can often be in charge of the responsible gaming side of the brand as well which involves players being able to self-exclude from gambling for a specified period of time meaning the operator cannot accept any deposits or play from that player on their existing account and must also do what they can to ensure the player cannot open up a new account and start playing on that one.

12 Technical



With the internet clearly vitally important to any online gaming site, there will always be issues that some players face when trying to download software, play specific games, access certain pages etc.

This can be caused by any number of issues such as software on their laptop/mobile blocking it, firewall/s preventing it, not enough memory on the device, the browser caching an older version of the website etc.

Whilst the customer support team will always be the first point of contact for all players, you cannot expect an operator to have an advanced technical knowledge on everything that can go wrong during a player's session.

Therefore, it is normal for operators to ensure there is a 2nd line operator available every day to investigate technical issues that player/s are experiencing and also to be available in case a larger issue occurs that affects the whole site and therefore all players such as a DDOS – Denial of Service – attack which can take the website and/or applications offline and in worst case scenarios access player data including name, address, date of birth and card numbers.

A bad attack such as this needs to be dealt with as soon as possible to minimise the downtime and damage done to the reputation of the brand and therefore someone needs to be on call 24/7 in case a major incident occurs.

Large firms may also need internal technical support for all those using computers – which will pretty much be every employee – to ensure the systems work correctly, any viruses are caught and dealt with as soon as possible, all employees only access sites relevant to their work etc.

Many operators therefore employ 3/4 technical operators who are available to assist customer service staff deal with players and 3/4 internal technical staff who are on duty 7 days a week and at least 1 of whom is on call 24/7 in case of emergencies. They will normally be overseen by a head of technical employee.

13 Social Media



Whilst the customer service team is the first point of call for any players that contact the brand and therefore to many, they represent the voice of the company, in this day and age social media is becoming very important for all brands as well.

This is important for a variety of different reasons, from the acquisition side in helping get word out about the brand, the retention side in helping speak to existing players and keep details of the brand fresh in the memory to the promotions side in helping inform players – both existing and future – of the current promotions and often running social media competitions to give away prizes.

Anyone that puts content for the brand on social media represents the operator and anything they post represents the views of the brand. Therefore, one mistake, rogue post or disgruntled employee can have a huge impact on how the brand is viewed and can see many players leave and posts shared even if it is quickly deleted.

Social media has become a great way for operators to increase their player base, but some brands have seen their popularity plummet and therefore all posts on any channel need to be checked and double checked before being sent out.

You can expect see anything from 2 or 3 social media operators up to 6 or 7 in one company depending on how active the brand wishes to be, normally overseen by a social media manager and/or head of communications.

14 Site Content



One of the main ways players find online gaming sites is via search engines. SEO is therefore vitally important when it comes to getting your brand near the top of listings for the most popular terms.

One way to help this is to provide regular related content that gets picked up by ‘spiders’ that search engines send out which then increases that pages ranking.

It is important that content is therefore updated regularly to ensure the best chance of being found, a team would often be employed for doing this especially for brands that have a sportsbook where events change daily. The promotions page and possible blog are also good pages to concentrate on.

Many brands employ 2/3 full time content writers to do this job who are available 7 days a week to update certain pages every day.

Site Options

15 White Label



The easiest, quickest and cheapest way to set up a new online gaming site is a white label operation.

This sees the white label operator look after much of the above including customer support, payments, fraud and much of the operations side. You also get to use their licence and don't have to worry about the regulation side either as you will be told what jurisdictions you cannot accept players from.

This leaves you free to concentrate on marketing the site, the social media, affiliates etc, and if needed you can also pay someone to run this side for you – see the section at the end of this document regarding Outsourcing.

The downside to a white label option is that you pay a % of the revenues to the white label operator for their time and use of the licence, and you are sometimes restricted to what you can offer players in terms of promotions, site content, products etc.

16 Turnkey solution



A turnkey solution is a step up from a white label in terms of flexibility and the ability to differentiate from other sites which is becoming more and more important as the number of online gaming sites increases.

It does cost more to set up as you are effectively leasing software which you can then alter to suit your needs – so for example you can add more features to the website, offer product/s that you otherwise may not be able to, better promotions etc – but you can get that back in the long term with improved revenues and added player numbers if you offer a better deal for players than your competitors.

17 API solution



If you already have your own website and simply want to add one or more products to it, you can use a simple API solution to do just this.

This is the cheapest option if you have a suitable website already running which includes players being able to open accounts, deposit and withdraw funds, back office functionality, relevant licences etc.

18 Outsourcing



If you have read all the above, you may be thinking that it is a major operation to get a gaming site up and running.

All the different departments you need, the many staff mentioned, office premises, an HR team to employ them and then manage them and a large budget just to get the teams set up.

Whilst this is doable if you have a lot of money and time to invest, many people don't. That isn't to say that you can't set up your own gaming site and make a nice long term profit out of it though.

There is another option – outsourcing.

Grabbit Gaming was set up in 2012 by Jamie Toulson, who has worked for brands such as Mansion and Ladbrokes in the past.

He has experience across all products and departments and he and his team can run all the above departments for you if required at a fraction of the cost of employing your own permanent, full-time staff.

19 Grabbit Gaming



In addition to providing the necessary staff to run every aspect of the site, Grabbit Gaming can also help you find the solution that is right for you.

As we are independent from any white label operator, we can offer you different options depending on your budget, jurisdictions you wish to aim for, what you want to get out of the site etc.

We can get you a site set up in a matter of weeks featuring all the major products such as Poker, Sportsbook, Casino, Live Casino, Bingo and DFS (Daily Fantasy Sports) for a very low entry fee, as well as providing as little or as much support as required.

If you simply wish to invest the money and not get involved in the day to day running of the site, this is possible.

For a free, no obligation chat to find out more about where you are, what you want from the site, what products/licence is best for you etc email them at jamie@grabbitgaming.com, call Jamie on +44 (0) 7507 265289 or add grabbitgaming on Skype.