

Accessible services and creative marketing strategies are make or break. Entertasia focuses on its live video games as vehicles to attract and retain customers, as, says Chan, Asians demand a realistic gaming experience. Many operators also offer mobile WAP sites as sources of gambling tips and odds to keep customers coming back.

The whole mobile channel, in fact, is expected to be a key battleground as gambling operators vie for players. Some industry leaders predict that gambling via mobile phone will boom across Asia. Playtech recently developed a product that will allow gamblers to play casino games – including roulette and blackjack – on their mobiles. The technology was pioneered in Japan and South Korea, where mobile games are already popular.

GBGC estimates 2007 mobile gambling revenues in Asia at \$266.9m, more than half the global total of \$400m. It expects this to rise to \$730m in 2012, out of a worldwide total of \$1.44bn. However, GBGC's Bartlett argues that technology must be improved before mobile gambling really takes off. "Some reports say it will rise exponentially, but we're not buying

Marketing strategy

- The two key challenges for online gambling sites are **driving traffic** in the first place, and **retaining gamblers** beyond the first bet.
- **Affiliate marketing** models have proved useful in building traffic to these online-only businesses. Operators with deep pockets have supplemented online marketing activity with offline **awareness-building** work such as sponsorships and ads.
- Since services are similar between operators, maintaining customers requires **adding value**. This could involve providing tips and hints, or it could involve providing a forum to build a community around the site.
- As **mobile gambling** takes off, these added-value services will have to be adapted for this channel.

into that just yet," he says. "There have been problems with handsets, and we are hoping that the arrival of Apple's iPhone will spur on operators such as Nokia and Sony Ericsson to produce phones through which you can download software."

World Mahjong Tour, which describes itself as an Asian gaming media company but is based in the US, is using a variety of media to market itself. The firm will be running a series of real-life, high-stakes mahjong contests in the US which will be filmed and distributed for television screening worldwide, similar to the World Poker Series. It recently launched the first ever Facebook multiplayer software game applications for mahjong and Chinese card game Big Two. It is also finalising a worldwide affiliate programme to drive new traffic to the site. With an estimated 100m mahjong players worldwide, there is plenty of room for growth.

Return on investment

World Mahjong Tour founder Pierre Wu says the way online gambling sites have marketed themselves provides an exemplary model for other ebusinesses. "Marketing strategies, particularly online affiliate programmes, and especially for online poker, have had a high level of sophistication and a strong return-on-investment focus. The formulas tend to be very scientific and involve all facets of marketing, from billboards and offline events to magazines and TV adverts, and online banners to sponsorships."

As a small start-up company, WSN.com is putting a lot of chips on its viral marketing plan. It views its site as essentially a community of gamblers, so in addition to search engine optimisation, it has many 'invite friends' and 'connect with friends' programmes to encourage people to share the site. Since WSN.com isn't strictly a gambling site – all winnings are in the form of prizes such as iPods or PlayStation consoles – it has a global reach not bound by domestic regulations.

Marketers in other sectors will be watching with interest. Despite facing a host of legal and cultural issues, online gaming companies both small and large are proving that with careful planning Asia can offer up great rewards. But with competition heating up, creative marketing is set to become the online gambling industry's royal flush. ■

Online gambling regulations



- Most Asian countries make it illegal for the end user to gamble, but not specifically online. **Hong Kong** is the exception, as the Jockey Club holds a tight state monopoly on all forms of gambling.
- The liberalisation of casino gambling in **Singapore** and the introduction of the online gambling licence in the Cagayan Special Economic Zone of the **Philippines** suggest that the historically strict approach to gambling may be relaxing.
- There have been reports that mainland **China** may offer licences for online companies to establish themselves in Macau, but at present, the only strictly

legal games are those authorised and developed by China's two national lotteries – the welfare lottery and the sports lottery. The government does, however, partner with foreign companies licensed in another jurisdiction. What legislation does exist in China is full of loopholes. There are many illegal sites that pose as state-sanctioned ones, but the government announced last year that it will be taking a tough stance on illegal online operators.

- In **Japan**, gambling is illegal, except for government-sanctioned public sports betting (including soccer betting) and the national lottery. In January the ruling Liberal Democratic Party agreed in principle to submit a bill to parliament to

legalise casinos. While online gambling, especially sports betting, is popular in Japan, the main form of gambling is the clandestine pachinko business, estimated to be worth a staggering \$300bn a year.

- **Malaysia** is predominantly a Muslim nation and gambling is prohibited on religious grounds, although there is one legal land-based casino. Attempts to liberalise the restrictive environment have failed so far.
- The law in **India** is silent on the issue of online gambling except in the state of Maharashtra, where it is banned.
- **South Korea** is taking a firmer stance, with the government announcing last year that it will rein in the increasing number of gaming websites illegally targeting Koreans.

