

Technical Challenges for the Gambling World

Are old technology solutions holding back the gambling industry? **Peter Bertilsson, President and CEO, Metric Gaming**, thinks so.



With technology advancing at an increasingly rapid pace, the “older” industries are failing to keep up – gambling in particular. This resistance is due primarily to a combination of already high margins (i.e., “if it ain’t broke...”) and a lack of regulatory flexibility, discouraging most operators and suppliers from investing in and embracing the latest technology available. As a result, the social gaming market has emerged as the new pioneer of cutting-edge development in intuitive and fully scalable software and – most importantly today – Big Data functionality.

Remarkably, many large gambling companies still rely on mainframe and MS-DOS, and believe .NET solutions to be modern, which means their technology (or lack thereof) is ultimately steering the business strategy ship. Old technology solutions do not enable quick or efficient system changes, in sharp contrast to today’s leading video and social game companies (e.g., Zynga, Mojang and King), whose major game successes might last only a year or two before new games need to be developed and put to the market – particularly to keep up with the latest devices (next generation smartphones, tablets, phablets, etc.).

For the real money gaming operators, however, today’s smartphone boom has caused serious headaches. Old technology is simply ill-equipped to adapt to the current mobile app culture, resulting in incredibly clunky mobile offerings based on pulling architecture, requiring users to scroll endlessly, continuously refresh pages and generally suffer through slow response times. Those companies able to embrace the latest mobile technologies are therefore quickly pulling ahead.

But perhaps the most overlooked technology in the gambling sector today is the ability to harness Big Data. The gambling industry is sitting on one of the largest databases in the world when it comes to high net worth customers, but barely a handful of operators have actually embraced true Big Data

functionality, relying instead on conventional, outdated business intelligence (BI) software and hoping that will be sufficient. The entire industry therefore needs to wake up and smell the coffee at the internet café, so to speak.

Indeed, the gambling sector should be leading the way in Big Data development, as it would benefit the industry enormously. Again, however, existing, outdated systems render it virtually impossible to transition to these latest technologies without huge up-front costs and resource commitments, causing many companies to miss out on the most important tech developments in decades. Consider this – as of 2003, the world’s entire data collection – dating back to the Mesopotamian “cradle of civilization” – was estimated to total approximately five billion GB of data. In 2013, the world was generating five billion GB of data every ten minutes. In a year, we’re expected to be doing that every few seconds. Despite its potential enormous value for business strategy and development, the vast majority of this data is completely unstructured and unharnessed. Indeed, Gartner Inc. anticipates that by 2015, only 15% of the Fortune 500 will be effectively exploiting big data to competitive advantage.

But what exactly is “Big Data”? It is not simply historical information, even if it is “big,” or the analysis of structured data, or batching technology. The concept entails real time, up-to-the second individualized analytics that create on-the-spot business decisions and marketing techniques. For example, a gambling operator may wish to offer a specific bettor a specific bonus or promotion, uniquely tailored to that bettor’s specific habits, all customized to maximize the efficiency and effectiveness of every marketing dollar spent. Without the right technology, this type of targeted marketing is impossible.

Thanks in large part to today’s leaders in social gaming – who are handling millions of concurrent users and database requests in real time – many new technologies are emerging that offer fast, cheap and highly effective solutions. Many tech departments

