

Introducing the upsell

Upselling may not be traditionally prevalent in the sports-betting sector, but it can still be successful if employed correctly, says **Douglas Mishkin** of Metric Gaming

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"Would you like fries with that?" is often cited as a classic upsell example

Despite driving a global industry valued at over \$1 trillion, sports wagers have never fitted neatly into the standard 'goods and services' categories of our economic marketplace. Wagers are not quite 'goods' (wagers are 'placed' not 'bought'), and the services typically associated with sportsbook operations (e.g. handicapping, deposits/withdrawals, customer support, etc) are all distinct from the wagers themselves. So when a bet is placed, what exactly is being consumed?

capitalism – namely the 'upsell' – have been conspicuously absent from the sports-betting industry. The upsell – a deeply-rooted sales technique designed to encourage committed customers to make additional or more profitable purchases – will typically take the form of proposed add-ons (e.g. "would you like fries with that?"), upgrades (e.g. extra legroom) or enhancements (e.g. a lifetime warranty). But to devise a compelling upsell requires an understanding of the core product and an

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Fundamentally, a wager is a contract – an agreement between the bettor and bookmaker to allocate funds based on the outcome of a future, uncertain event. But other examples of contractual arrangements as marketable goods (insurance policies, certain financial instruments etc.) are far cries conceptually from betting on, say, a home team favourite. Indeed, the true value of a sports wager often has nothing to do with risk management or mere financial speculation, and instead stems from the entire post-transaction experience: the enhanced excitement of watching the sporting event, the satisfaction of validating one's opinion and, of course, the chance to win money. In short, sports betting is fun.

The sport wager's inherent incompatibility with rigid market conventions may help explain why some traditional aspects of marketing and

appreciation for why the customer was drawn to it in the first place. In the case of sports betting, that core product is arguably sheer entertainment – a concept that is not always conducive to a straightforward upsell strategy.

Today, perhaps the closest thing to an upsell in the sports-wagering industry is the bettor's ability to adjust a wagering line, whether by 'buying points' (most common in the US and Asia) or simply betting on an alternate point spread. In essence, an otherwise committed customer (the bettor) is offered a wager enhancement (a preferable point spread) at a more profitable price (odds that carry a higher theoretical house edge), thereby meeting the hallmarks of a classic upsell. But such 'point-buying' has never been a significant profit-driver for sportsbooks, likely because adding a few extra half-points

to a spread is unlikely to actually enhance the wagering experience. Indeed, other than for the smallest minority of bettors who wager consistently for profit, the point spread is virtually irrelevant. A true and effective upsell in the sports-betting industry must accordingly tap into the wagering experience itself – the very 'product' that bettors ultimately wish to consume.

Metric Gaming's Bettor Option seeks to do just that by effectively offering a cure for 'gambler's remorse' – that nagging sense while watching a wagered game unfold that you either should have bet the other side, or you should have bet more. Driven by advanced proprietary statistical modelling and analysis, Bettor Option offers bettors placing a pre-game wager the opportunity – at a fraction of the cost of the pre-game wager – to watch the entire first half of their match before deciding if they would like to double their bet, or even switch sides, at the same odds that were available before the game started.

The basic concept behind a true sports-betting upsell could have far-reaching implications for the pre-game betting market as a whole. Indeed, pre-game wagers could one day be fully customisable, enabling bettors to dictate the terms of their wagers by choosing from a broad selection of 'add-ons' (e.g. a refund in the event a bet loses in the final seconds or a key player gets injured) or enhancements (e.g. a bonus in the event the wagered team wins by a certain margin or shuts the opponent out) – thus mirroring the optionality (and fertile 'upsell' environment) prevalent in today's more conventional goods-and-services marketplace. ◀

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