

# EVOLVING IN-PLAY

Despite the additional challenges and costs, the next step for in-play should be to take the proven success of instant gratification markets for tennis and test them on other sports that are equally conducive to live wagering, argues **Peter Bertilsson** of Metric Gaming.

**The importance of** in-play betting to the global trillion-dollar sports wagering industry is no secret. Market share has been trending towards the operators with the strongest in-play offerings for over a decade (indeed, for some, in-play wagers account for nearly 80% of turnover), and lately certain regulatory bodies have taken steps to embrace this massive and growing market, with Italy's AAMS recently lifting in-play betting restrictions to ensure that Italy-licensed bookmakers can stay competitive.

While conventional in-play markets – i.e., point-spreads and totals after a match has started – are likely here to stay, the future of in-play betting raises interesting questions

play? Relatedly, will the sports that today see the most pre-game action also prove most successful for in-game wagering, or will the sports that are less popular – but more conducive to in-play markets – see increased viewership as in-game betting options and supporting technologies inevitably evolve?

## **Not all sports are created equal**

Today, the sport that generates by far the most betting turnover worldwide is football – a game that is arguably least-suited for “micro” wagering given its lack of natural breaks. Whereas sports like tennis, golf or American football are comprised of individual points, holes and drives,

whether a golfer will sink an imminent birdie putt.

But so far, the industry's focus when it comes to in-play betting seems to be less on entertainment value, and more on developing markets that are either “proven” (effectively anything for football) or “easy” (such as tennis, which, with a reliable real-time data feed, can be relatively straightforward to automate). As a result, there is ironically a dearth of compelling in-play wagering content for some of the very sports whose formats are best suited for in-play betting.

## **Logistical challenges**

Take American football and golf, for example. Both sports lend themselves particularly well to in-play betting, given American football's drive-by-drive, play-by-play format, and golf's hole-by-hole, “game-within-a-game” structure. But American football “micro” markets are admittedly difficult and expensive to handicap, as each team plays only 16 games during the regular season (resulting in a notable lack of meaningful, historical statistical data), and the sport itself is so susceptible to intangibles (e.g., momentum, situational factors, etc.) that proper in-play trading requires constant attention from knowledgeable, well-trained traders. Golf, too, poses its own challenges, as truly engaging and viable in-play golf markets require knowledge of pin placement (which can have a profound impact on a hole's playability) as well as the exact moment of each shot (to maximize the availability of each in-play market for wagering).

Handicapping in-play betting markets is also expensive to manage entirely

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regarding which markets will ultimately prove most compelling. Will it be merely an expansion of “derivative” markets (such as betting in-play on what the score or total will be at halftime, after the first quarter or after the first few minutes), or a proliferation of “micro” markets, where punters can wager on the outcome of virtually every

respectively, football provides little in the way of discrete events that complement live, instant-gratification wagering opportunities. Indeed, as a matter of pure entertainment, most would agree that betting on a typical in-play soccer proposition (such as which team will take the next corner kick) pales in comparison to betting on, for example,

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in-house, which is why many operators today engage feed providers to handle that process. Most of these feed providers, however, simply provide an “aggregated” feed (effectively compiling odds information from other operators), which yields an inefficient and inferior product. U.S. sports tend to be especially problematic, as the country’s restrictive regulatory environment has hampered the growth of U.S. sport-dedicated, institutional handicappers, thereby impeding the market forces that might otherwise yield reliable sources of U.S.-sport pricing feeds. And when it comes to golf, due to the sport’s unique legal protections, there is no company on the market today providing reliable, real-time golf data feeds that could power a fully automated in-play golf betting product.

**Worth the risk**

Despite these hurdles, history tells us that compelling in-play propositional betting opportunities can be extraordinarily powerful in driving viewership and punter interest. Tennis is a prime example, whose explosive growth in wagering popularity correlated precisely with its increased availability of such markets. Indeed, three years ago William Hill announced that it profited half a million GBP from in-play betting on a single tennis match, noting that “if ever a contest was made for in-play, it was the Australian tennis final between Djokovic and Nadal.”

There should accordingly be little doubt that engaging in-play markets are capable of significantly boosting betting turnover for any sport, and that the key inquiry for operators in this regard should be focused

on entertainment value and potential, rather than existing popularity or pre-game turnover figures. Indeed, for an industry whose core product is arguably sheer entertainment, the primary question should always be “Which betting markets would be the most fun?”

On the other hand, because the sports betting industry has been notoriously bogged down by the inertia of legacy technology, committing massive up-front resources and capital to develop in-play betting expertise and infrastructure in-house – especially for unproven sports – is not an easy sell. Moreover, so much of the existing pre-game turnover for these sports arises from the major tournaments and events, further suggesting that committing resources to a year-round solution may be uneconomical.

What many seem to overlook, however, is that the mere availability of a compelling in-play betting opportunity can itself propel viewer interest far more than a conventional pre-game market. Imagine an early round tennis match, for example, in a small tournament with few, if any, star athletes. While most viewers may be uninterested in watching that match from start to finish (thereby discouraging a pre-game wager on the match outcome), the ability to flip to that channel and bet on a single point or game may be a far more compelling proposition. This is precisely the phenomenon that makes engaging, in-game betting markets such a potential game-changer, and illuminates why the virtual year-round availability of tennis (which is equally true of golf when factoring in the Asian Tour, WPGA, and other leagues) is an important

asset. The very nature of these betting markets are more akin to slot-machines than conventional sports betting, and a large part of slot machines’ perennial appeal is their 24/7 availability coupled with instant gratification results.

Ultimately, in an age when the human attention span is reportedly as low as eight seconds, this type of “micro” wagering – in particular on mobile channels – is very likely the future of sports betting. The next step is therefore to take the proven success of instant gratification markets for tennis and test them on other sports that are equally conducive to in-play wagering, despite the additional challenges and expense that generating such markets may entail. While operators may naturally resist making such a large investment to offer these markets in-house, third party B2B providers have made large strides in being able to generate, trade and score these wagering opportunities in real time on behalf of their partners. As a result, there are today more options than ever for operators looking for a cost-effective, streamlined solution to tap into this burgeoning market.



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