

Brazil – the New Frontier



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Despite its maturity, the global sports betting market is growing at a remarkable pace. The internet naturally played a critical role in accelerating that growth, which was further compounded by the world's smartphone revolution and now stands to continue its trajectory as new technologies inevitably enhance sports betting's appeal and facilitate its dissemination. But the global interest in sports itself – already practically a religion in many parts of the world – somehow seems to be growing as well. Perhaps in today's culture of on-demand entertainment, sport's increasingly rare quality of demanding a live viewing audience has managed to intensify its overall attraction.

It is no surprise, then, that attempts to prohibit sports betting wholesale have failed miserably. The U.S. is a prime example, where the total illegal annual turnover in the country is estimated to be four hundred billion dollars or more. By this point, governments should at least recognize that the activity will continue no matter what the laws say. And if sports betting is going to occur at all, it should occur out in the open in a regulated, controlled (and taxed) environment, such that the legitimate concerns associated with sports betting (e.g., addiction, corruption, money laundering) can be properly monitored, addressed and minimized.

There are a sufficient number of countries throughout the world with generally legalized, regulated sports betting to teach us that legal gambling and a functioning, flourishing society are not mutually exclusive. Regulated sports betting means increased tax dollars for the government and increased investment in the country, particularly as large sportsbook operators look to expand their commercial footprints in regulated jurisdictions. Accordingly, and especially given the extraordinary recent advances in online sports betting technology and products, governmental attempts to deny entire populations access to legal sports betting options seems like a short-sighted waste.

Brazil, of course, is no exception. Boasting one of the best national football teams in the world and hosting a population north of 200 million with major smartphone penetration, Brazil's antiquated gambling laws are depriving the country of a fortune in tax dollars and huge investments in its economy, not to mention basic player protections against an unregulated market.

These legal prohibitions also rob Brazilians of best-of-breed sportsbook entertainment and innovations. Although plenty of online sportsbook operators situated outside Brazil are targeting the Brazilian market, the criminalization of sports betting there prevents the most well-established, licensed operators from entering – and competing in – that space. As a result, the most advanced mobile-optimized, personalized betting platforms and products are largely unavailable to Brazilians, whereas a sound regulatory and licensing system in Brazil would quickly attract the world’s best sportsbooks – and most importantly their competition for business – which would in turn pay extraordinary dividends for Brazilian consumers.

By Peter Bertilsson

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