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The global IP geolocation and intelligence leader

Ensuring a Winning iGaming Strategy with IP Intelligence and Geolocation Data

An Online Gambling Whitepaper from Digital Element

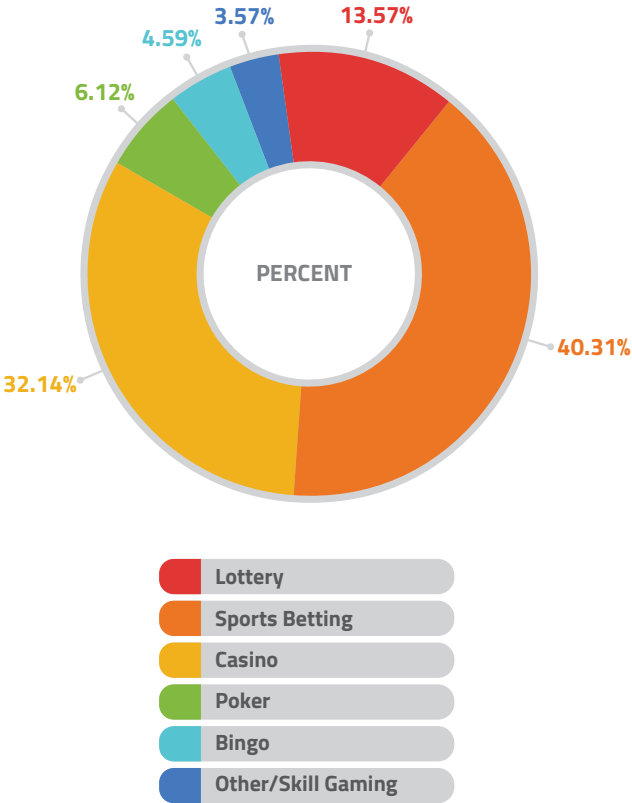# Table of Contents

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iGaming Is an Exploding Industry

Online gambling is no longer a pastime solely for the thrill-seekers looking to make a quick buck. iGaming has solidified its place as a growing part of our entertainment culture, especially as the COVID-19 pandemic with its lockdowns and social distancing requirements has driven people of all ages to participate more enthusiastically in online gambling.

Online gambling is poised for solid growth: The global online gambling market was valued at roughly $54 billion in 2019,[1] and is anticipated to reach more than $127 billion by 2027.[2]

MOST POPULAR ONLINE GAMBLING ACTIVITIES

PERCENT

- 13.57% — Lottery
- 40.31% — Sports Betting
- 32.14% — Casino
- 6.12% — Poker
- 4.59% — Bingo
- 3.57% — Other/Skill Gaming

Source: Innovecs

The expansion of the industry can also be accredited to more countries legalizing online gambling; a change in attitudes due to the rise of social and sports betting; and increased availability of non-cash payment options such as credit cards and virtual currencies. Take for example, the U.S. Supreme Court ruling that repealed the Professional and Amateur Sports Protection Act (PASPA), the federal law that essentially limited sports betting to one state for more than two decades, which now leaves it up to states to decide whether to allow their residents to bet on sports, how online casinos can operate, and how sports betting will be taxed. This alone is expected to infuse the market with $6.03 billion annually by 2023.[3]

Mobile gambling has come to the forefront of the igaming industry as more gamblers relish the convenience it offers, giving them the ability to steal a few minutes of play throughout the rush of their busy on-the-go lives. Additionally, that growth has been driven by a proliferation of smartphones and tablets; availability of low-cost data plans; increased availability to Wi-Fi; and easier access to casino gaming and betting platforms—all of which allow consumers to gamble without location restrictions.

Mobile gambling is now considered the most common way players bet online. Industry analysts estimate that as much as 60 percent of the internet gambling market is now done with an Android, iPhone, or iPad.[4] Recent research suggests that 79.8 percent of people play online casino games on their mobile devices.[5]

> **Based on the numbers, it seems igaming is a healthy industry segment that appears to be both recession- and pandemic-proof.**

Today's Online Gambler Skews Younger, More Affluent

Approximately 1.6 billion people worldwide gamble, with 17 percent of that population gambling online.[6] Online gamblers today defy the age-old stereotypes of the gray-haired grandmother pulling slots or the established high-roller wagering his boatload of cash. The demographics are skewing increasingly younger, especially as online sports

gambling has quickly gained popularity. Sports betters, for example in the United States, are not only young (under 35 years old), but they are also affluent, with 29 percent of them having household incomes of more than $100,000—a demographic bonanza for advertisers.[7]

For now, from a global perspective, Europe is producing the largest number of online gamblers, followed by the Asia-Pacific, North American, and Middle East regions.[8]

GLOBAL ONLINE GAMBLING INDUSTRY SEGMENTATION, IN BILLION

4%
>1%
22.4%
7.9%
PERCENT
11.72%

- Europe
- Asia-Pacific
- North America
- Middle East
- Rest of the World
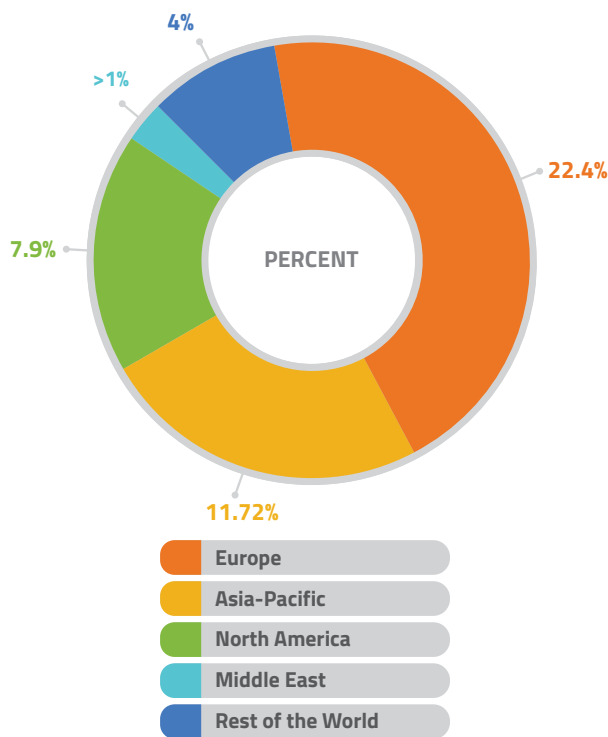
Source: Innovecs

So, overlooking online gamblers as an entire category is a huge missed opportunity for companies that want to get their products and messages in front of an ever-growing audience.

IP Intelligence: A Multi-Function Solution for iGaming

But, as the industry continues to grow, companies need to do more and more to stay in—and ahead—of the game. During the next few years, the priority for sites will be to implement up-to-date technology to comply with location-specific jurisdictional requirements; ensure optimum quality across devices; and provide a more localized experience.

So how can companies keep up? In short: IP Intelligence and geolocation technology.

Capture Player Engagement Even Before the Very First Click

Determining the locations of users means online gambling sites can automatically display content in their preferred language or currency, without them having to select options from a dropdown menu. Companies will also be able to share relevant information with the player such as local sports results. During actual gameplay, where reward systems involving check-ins at certain locations need to occur, companies can use IP Intelligence to simplify—and verify—the process.

In this way, IP geolocation technology helps gambling companies build more meaningful relationships with their customers and yield higher levels of trust, brand loyalty and, ultimately, revenue.

Play by the Rules by Successfully Navigating the Complicated Compliance Landscape

Online gambling is much more established worldwide, as an example in the European Union (EU), where countries have had more time to work through compliance and regulation differences. Trade associations, such as the European Gaming and Betting Association (EGBA), have helped to set codes of conduct for companies to follow as the online betting market expands in that region.

By contrast, the U.S. gambling market, however, is much younger, with an approach to regulation that is more splintered—making compliance even more difficult on a number of fronts. States have different tax rates on bets and payments, for example, which can make calculations problematic for sites that want to operate nationwide. Based on the IP address of online gamblers, geolocation data can be used to automatically calculate appropriate taxes.

While players can conveniently connect to online gambling from all over the world now, this creates challenges for gambling sites because they must ensure they hold a license for each player's jurisdiction—again IP geolocation data can allow players access to gambling where permitted and restrict it where not.

As country regulations are tightened, gamblers have increasingly attempted to gain illegal access by falsifying their location or hiding behind a proxy server such as a Tor, VPN or hosting center. To combat the issue of illegal betting and protect the integrity of their licenses, many companies are now using proxy datasets to detect suspicious activity.

Up the Ante Across Devices

With the rapid expansion of mobile betting that gives users "a piece of the action" from an ever-increasing range of devices, gambling sites need to be optimized across all devices and screen types to provide the best possible customer experience. IP intelligence can be used to identify mobile traffic by determining the connection type and speed, allowing the most appropriate content format to be selected for that user.

In addition, this information can be used to determine the type of advertising the user is exposed to while using the site. For instance, a static display ad can be shown to an on-the-go smartphone gambler who is accessing via a slow internet connection, while an interactive video can be shown to a player who is using a tablet and a faster Wi-Fi connection.

Score Points with Promotional Campaigns that Resonate

Gambling sites are far more likely to attract and retain players who are served relevant ads, and advertisers will also feel

they have hit the jackpot as they watch their click-through rates improve.

Both gambling sites and advertisers can use IP intelligence to raise their game by combining IP data with other criteria to target customers with highly relevant and timely campaigns; share promotions based on player location; and align ads with external events to make the gambling experience even more immersive and meaningful. They can also use location data to deliver personalized messaging that will drive customers into local casinos or betting shops.

IP Intelligence and Geolocation Technology at Work

One organization that offers online lottery games on behalf of four different Canadian provinces uses Digital Element's NetAcuity®, the industry-leading solution for global IP location targeting precision and reach. It provides hyperlocal postcode-level data to comply with legislation, regulations, and gaming strategy in determining what products will be made available to online players in that country. The organization's previous geolocation provider's data was inaccurate, resulting in online lottery players who were denied being able to play because their IP addresses were identified incorrectly. With highly accurate and reliable IP Intelligence and geolocation technology, this gaming organization can now confidently support its mission to provide players access to responsible and properly regulated gambling features that are recognized as being among the best in the world—while returning 100 percent of its profit to the four provincial governments.

How to Double Down on Digital Gambling Ads

Even before COVID-19, the digital gambling industry was on an upward trajectory. However, the pandemic had a significant impact not just in online play but similarly on digital ads across the globe. For example, online gambling ad impressions in the United Kingdom alone almost tripled during the lockdown.[9]

As this trend continues, the advertising opportunities within online gambling are boundless and create benefits not only for casinos, lotteries, and sports-betting organizations but also for brands trying to reach this type of captive audience.

However, any advertising or promotional activities planned to target gamblers should incorporate these five best practices:

1 **Don't Be a Distraction:** Gambling is a medium that demands a player's full attention. Anything that inadvertently takes gamblers away from their focus is discouraged. Players do not want to be distracted by elements that are not related to the task at hand, whether they're playing a hand of poker or betting the spread for the next football game.

2 **Focus on Authenticity:** All gamblers despise disruptive ads. When an ad negatively impacts the online experience, players connect their frustrations to the brand in a negative manner. Ads should have all the necessary creative, messages and visual effects that ensure they look natural and appear as authentic within the online gambling environment.

3 **Bring Additional Value Through Creativity:** Gamblers flock to brands that come up with fun and innovative ways of relevantly reaching them, especially when it enhances their online experience and/or helps deliver a more exceptional event experience offline.

4 **Personalize the Experience with Targeting:** While many gamblers are willing to share their personal information in exchange for a more customized experience, others are not. However, advertisers can still deliver hyper-targeted campaigns while respecting players' privacy by leveraging IP geolocation and other contextual attributes that can be gleaned from a player's location.

5 **Build in Ability to Track Viewability:** Ad viewability is 100-percent trackable for online gambling. More granular information on ad viewability is widely available by various data points that include campaign, domain, page, app, placement, partner, creative format, ad unit and how long ads were actually viewed.

Use Technology to Gain and Maintain Your Edge

In an industry that is governed by country-specific regulations; faces a constant threat of illegal use; and that is evolving to accommodate gambling across a growing number of devices, IP intelligence and geolocation technology is essential. For gambling sites that recognize the need to deliver targeted content and advertising without identifying players or disrupting their online experience, making use of good-quality, highly granular, real-time IP data will be the winning hand in the future.

About Digital Element

Since 1999, Digital Element has been providing global geolocation and audience insights that bring anytime, anywhere relevance and context to online initiatives—from desktops to mobile devices. The company's patented technology has been certified and accredited to deliver real-time access to accurate and reliable location intelligence without invading Internet users' privacy. For nearly two decades, many of the world's largest websites, brands, security companies, ad networks, gaming organizations, social media platforms and mobile publishers have trusted Digital Element's technology to target advertising, localize content, enhance analytics, and manage content rights as well as detect and prevent fraud. Headquartered in Atlanta and London, Digital Element is a division of Digital Envoy, Inc.

Meet Some Clients

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[9] Campaign US, "Online Gambling Ad Impressions Almost Triple During Lockdown," May 6, 2020.

Contact Digital Element to get more information on how IP Intelligence and geolocation solutions can help your igaming activities.

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