

# Online Bingo Annual Report 2018



***WhichBingo***

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*“This year’s survey shows a remarkable turnaround in player opinion towards sign-up bonuses...”*

# Contents

Introduction	5
TV and Media Spend	6 - 7
SEO Visibility of Bingo Brands	8 - 11
Bingo and Social Media	12 - 13
Online Bingo Player Survey	14 - 17
Bingo Sites and Software	18 - 19
The Usability of Signing up to a Mobile Bingo Site	20 - 21
WhichBingo Awards 2017	22 - 25
M&A in the Bingo Sector	26 - 27
Compliance in the Bingo Industry	28 - 31
Industry Predictions for 2018	32 - 33
Contacts	34

# Introduction

## Welcome to the third edition of the WhichBingo Online Bingo Annual Report.

Whilst 2017 for online bingo had its fair share of shock and surprise moments, we think 2018 is going to be another very interesting year. We've seen interesting M&A activity in 2017 with more coming though even as we write. Let's see what the fox thinks of Gala!

Two of the bigger challenges we faced as an industry in 2017 was the tax on free money offers and the crack down on advertising compliance from the ASA and UKGC. We've got our own view and review of the latter with a piece that looks at how the industry responded to the British media and UKGC.

### **What else is in this report?**

In this issue of the WhichBingo Online Bingo Annual Report, in addition to our own research and analysis we have invited highly regarded industry experts to contribute their views and opinions.

Nick Harrison and his team at specialist creative and media agency Home, reflect on how the TV and media marketplace has changed in the last year.

Ben Robinson, a seasoned expert in the M&A sector, gives his opinion on how the online bingo and gaming industry at large is set to change in 2018.

Michael Hewitt and his colleagues at Stickeys give their own unique view on the landscape of SEO in 2017 and beyond, plus Luke Brynley-Jones joins us again to give his view on the state of social medial in the online bingo industry.

Also in this report, as well as covering the same subject

areas as last year, we have added some new sections that we deemed noteworthy, including a look at the 'The Usability of Signing up to a Mobile Bingo Site' and 'Compliance in the Bingo Industry' which gives our thoughts on the big regulatory issues of the year.

There's also our respected and valued annual online bingo player survey, with some very insightful results, together with a look at the number of bingo sites which opened and closed in 2017, with comment on how we see this changing in 2018.

And finally in this year's report, we've got some new and perhaps unfamiliar faces for our 'Industry Predictions' section, which makes for some interesting reading indeed.

### **About WhichBingo**

WhichBingo is widely recognised as the UK's leading resource for the online bingo player, and since its UK launch in 2004, has been at the forefront of the UK online bingo market.

WhichBingo has now developed into the online bingo sector's go-to marketing partner and expert in the niche, with an industry stamp of authority with the annual WhichBingo Awards, the most recent of which was held at London's world-famous Café de Paris in June 2017.

WhichBingo has been named EGR's 'Best Bingo Affiliate' for the last three years (2015, 2016 and 2017) and the site was also named the 'Best Bingo Site' in 2016 and 2017 at the iGB Affiliate Awards. It is now the UK's most awarded bingo affiliate website.

# TV and Media Spend 2017

Year on year ad spend for the online bingo category decreased 12% in 2017 vs 2016, with investment in press and door drops tailing off, and TV advertising slipping by 19%. At the same time operators have upped their investment in digital media by a whopping 84%.

## Top 10 brands advertising on TV

From the estimated £38.3m\* spent on TV advertising for the period of January to December 2017, the top 10 advertisers and brands are shown in table 1.

### Highlights

- Total value of spend continued to drop to £38.3m in 2017 from £45.4m in 2016 in the same period January to December.
- Mirroring 2016's figures, the top 10 brands contributed to nearly 95% of all TV spend for the period, with the top 5 contributing to nearly three quarters of all TV spend.
- Tombola continue to lead the way on TV, outspending the #2 ranking brand by over £4 million.
- Brands notably absent from advertising on TV in 2017 (but did in 2016) include bet365 Bingo, Costa Bingo, Heart Bingo and Sun Bingo.

### Tombola

Tombola have been consistent in their approach to TV creative, sticking with the same voiceover artist and music, but with a refreshed creative pushing the community angle and showing that you can even play online bingo around the camp fire!

According to figures reviewed in Neilson's Addynamix, tombola were also the only brand recorded to have spent on out of home and door drops last year, and they doubled down on the power of radio too.

Not content with dominating the online bingo category spend, tombola arcade was also a frequent ad break filler through 2017, with investment rising from £3.7m. to £4.2m. The creative execution for their slots ads shares the same voiceover and music as the bingo ads and will have provided a powerful halo effect for their core bingo offering.

Tombola arcade also sponsored 'I'm A Celebrity Get Me Out of Here', running creative that cross promoted their partnership with ITV. Their use of a daily competition, with £10,000 prizes and winners announced in the 'I'm A

Table 1 - TV Ad spend 2017

No.	Brand	Spend £m
1	Tombola	11.3
2	Gala Bingo	7.2
3	Jackpotjoy	3.5
4	Sky Bingo	3.3
5	Foxy Bingo	3.1
6	Sun Bingo	2.9
7	Wink Bingo	2.3
8	Coral Bingo	1.0
9	Fabulous Bingo	0.9
10	Pick Me Up Bingo	0.7

\*Figures are taken from Neilson's Addynamix.

Celebrity Get Me Out of Here' ad break was an inventive use of the inventory.

### Gala

Gala adopted a reasonably cautious approach in 2017, with TV spends dropping off by around £1m, while Coral picked up the slack with TV investment increasing from £200k to £1m.

Gala eked out 'Galalala' through January and February before launching their fantastical fairground 'Happy Happens at Gala' ad in March. The brand continues using the parodied Steam song, but this time as an instrumental version and with a 'live' band in the video to continue to build on the pre-awareness related with the tune.

2017 saw Gala continue to run creative that supported partnerships with TV shows too, including *Emerdale*, *Coronation Street* and *The Chase*.

### Coral Bingo

Coral Bingo went for a TV burst strategy; 3 x 2-month bursts of activity through the year, compared to just one in

2016. Running between January – February, April – May and September – October, the ad itself is a continuation of 2016's open-top bus bingo caller, with regular new promotions in the end-frame.

### Jackpotjoy

Jackpotjoy saw increased TV spends in 2017 to support the introduction of their new brand ambassador Paddy McGuinness. Whilst the first of the ads sees the baton being passed from old campaigner Babs to new boy Paddy, the tone is familiarly cheeky: 'Jackpot join us and grab fun by the balls.'

### Sky Bingo

Sky bingo saw a slight decrease in investment to TV spend in 2017, but they continue to be one of the largest spenders. Running an always-on campaign during the year, with a break from May to July, the brand stuck with the previous year's creative campaign line 'Expect excitement'.

### Foxy Bingo

2017 saw Cashcade's TV investment in Foxy Bingo decrease. March saw the launch of the brand's new TV campaign with Foxy finally unmasked as to reveal none other than Hollywood superstar Heather Graham.

### Sun Bingo

While Sun Bingo increased spend in 2017 to £2.9m, it still remains half of their 2015 investment level.

Favouring week days, the brand avoided running on Sundays at the start and end of the month, as well as full weekends during the middle of the month, when bingo players are notably less active. They are also seen to stop spending completely during school holiday weeks, but only when this falls in the middle week of the month.

The brand was absent from TV from June – November, and were back on air for the last week of November and the first week of December.

The creative has not changed since 2016 and continues to feature Gavin and Stacey's Joanna Page as the voice over with the strap line 'Sun Bingo is fun bingo.'

### Costa Bingo

Cassava Enterprises saw another year of changes for their brands. One notable absentee from TV in 2017 was Costa Bingo, previously number 8 in the table, spending just under 1 million in 2016. In addition to this, after a steady 6 years of incremental spend on TV advertising, 2017 was the

first year to see a reduction in Wink Bingo's spend, by £0.5m. Reflecting Wink Bingo's previous year's strategy, the brand ran from January to December, excluding the school summer holiday months and concentrating investment around paydays.

### Fabulous Bingo

After being absent in 2016, Fabulous Bingo returned to TV in 2017 with the largest budgets seen by the brand since 2012. Launching their new campaign that played on 'owning the fabulous bingo moment' we see various women dramatically posing between plays on their phone, continuing as with previous campaigns to feature a slightly younger audience than the standard bingo demographic.

The campaign ran from January to April. Unlike other brands, they began advertising mid-January, running on weekdays only. The brand mostly avoided weekends, but also stopped spending completely during school holidays, which hints that they are targeting a younger, glam mum audience.

### Pick Me Up Bingo

Profitable Play's Pick Me Up Bingo debuted on TV in 2016 with a small spend that saw them running always-on through until February 2016 they then returned to TV for a campaign from January to February in 2017.

### Mecca Bingo

While Mecca was absent on TV for the majority of 2017, they launched a brand-new TV campaign on 26th December bringing back the heart and soul of the 90's with their Macarena spin off creative.

### Analysis

- While still taking up the lion share of media budgets, linear TV spend has dropped by 16% in 2017, with brands investing more in digital platforms than ever before.
- Media spend has been smoothed out more across the year compared to 2016, with a more even investment in most months, except during summer when brands commonly pull back spend or stop altogether.
- In 2017 the picture is similar for budget splits on TV across the online bingo category, with ITV still taking the lion share at 51%, but Sky's share increasing by 4% to 40% and Channel 4 steady at 13%.
- Looking at TV spend by day shows that whilst brands are likely to have different day of the week strategies, weekends are favoured the least.

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#### Author contribution

The 'TV and Media Spend 2017' comment in this report has been written by Nick Harrison who is Managing Director of Home Marketing (Gibraltar) Ltd, a specialist agency providing creative and media services to some of the world's best known gambling brands.

# HOME

# SEO Visibility of Bingo Brands

The search market for bingo remains one of the most competitive in the UK, but it is fair to say that the market has become even tougher over the course of 2017.

As many keywords have declined, one has grown to rule them all, whilst brand-related factors such as trust, reputation and proposition seem to be becoming even more prominent factors in how Google judges you against the competition.

Stickyeys has analysed rankings across the 319 largest traffic-driving non-brand keywords in the bingo sector to determine which brands are successfully generating traffic from organic search, and which brands are failing to secure those all-important ranking positions.

## The keyword landscape

The 319 biggest keywords in the online bingo market generate a search volume of 285,833, with one keyword, 'bingo' dominating the sector. This keyword alone accounts for 38.5% of the entire search market.

A position one ranking for this keyword term, based on a typical conversion rate, would generate an estimated maximum traffic of 26,543 from this keyword alone, and it is therefore no surprise that this keyword term is one of the most hotly contested search markets in the UK. See table 1.

In fact, the keyword 'bingo' has seen enormous growth over the course of 2017, with search volume increasing by 36,000 year-on-year, whilst other prominent keywords have declined. See table 2.

Search volume for terms surrounding 'free bingo' in particular seem to have declined notably, as brands place less emphasis on offering 'free' versions of their games. The decline of the search term 'bingo sites' is perhaps an indication that brand is playing a greater role in the customer journey, and may be a trend that is most likely to impact affiliate brands in this space.

Of the 319 keywords in our analysis, 110 of these are considered to be 'generic' keywords, and combined these generate 198,832 (69.9%) of the overall search volume. See table 3

The next biggest category of keywords are those that relate to 'no deposit' bingo, with 104 keywords generating a search volume of just over 46,000. There are 14 keywords that contain the term 'mobile', and these generate a search volume of 2,133.

## Gala Bingo the most visible bingo operator

The most visible brand in the online bingo market in 2017 is Gala Bingo, which according to our analysis generates a visibility of 32,409 from organic non-brand search. See table 4. This is more than twice the visibility of the next most visible brands, Crown Bingo and Paddy Power Bingo.

Gala Bingo's visibility is underpinned by a position one ranking for the keyword term 'bingo', which accounts for 82% of the brand's overall organic non-brand traffic.

This is not to say that Gala Bingo has solely focused on this search term as part of its search strategy. The brand has generally strong rankings across the generic terms, and it has the third highest number of ranking keywords of any of the top ten most visible brands (only Wink Bingo and Booty Bingo rank for more).

Table 1 - Non-brand keywords

No.	Keyword	Category	Search volume	Max traffic
1	bingo	generics	110,000	26,543
2	bingo sites	generics	18,100	4,368
3	free bingo	free bingo	12,100	2,920
4	bingo games	generics	12,100	2,920
5	free bingo no deposit	no deposit bingo	8,100	1,955
6	online bingo	generics	8,100	1,955
7	no deposit bingo	no deposit bingo	5,400	1,303
8	bingo game	generics	5,400	1,062
9	free bingo games	free bingo	4,400	1,062
10	new bingo sites	generics	4,400	1,062
11	bingo online	generics	4,400	1,062
12	best bingo sites	generics	4,400	1,062
13	bingo house	generics	4,400	1,062
14	bingo with no deposit	no deposit bingo	3,600	869
15	bingo games free	free bingo	2,900	700



Table 2 - Non-brand keywords 2017 vs 2016

No.	Keyword	Dec-16 Search vol	Dec-17 Search vol	Difference
1	bingo	74,000	110,000	36,000
2	bingo sites	27,100	18,100	-9,000
3	free bingo	14,800	12,100	-2,700
4	bingo games	12,100	12,100	-
5	free bingo no deposit	9,900	8,100	-1,800
6	online bingo	12,100	8,100	-4,000
7	no deposit bingo	9,900	5,400	-4,500
8	bingo game	1,000	5,400	-4,400
9	free bingo games	6,600	4,400	-2,200
10	new bingo site	6,600	4,400	-2,200

Table 3 - Keyword Category Potential: Online Bingo

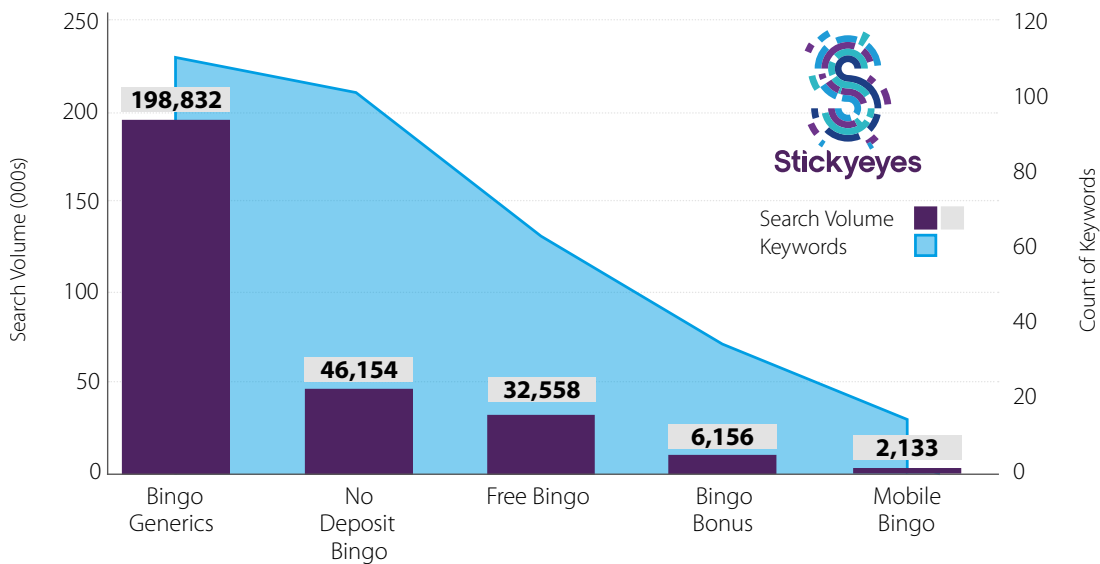
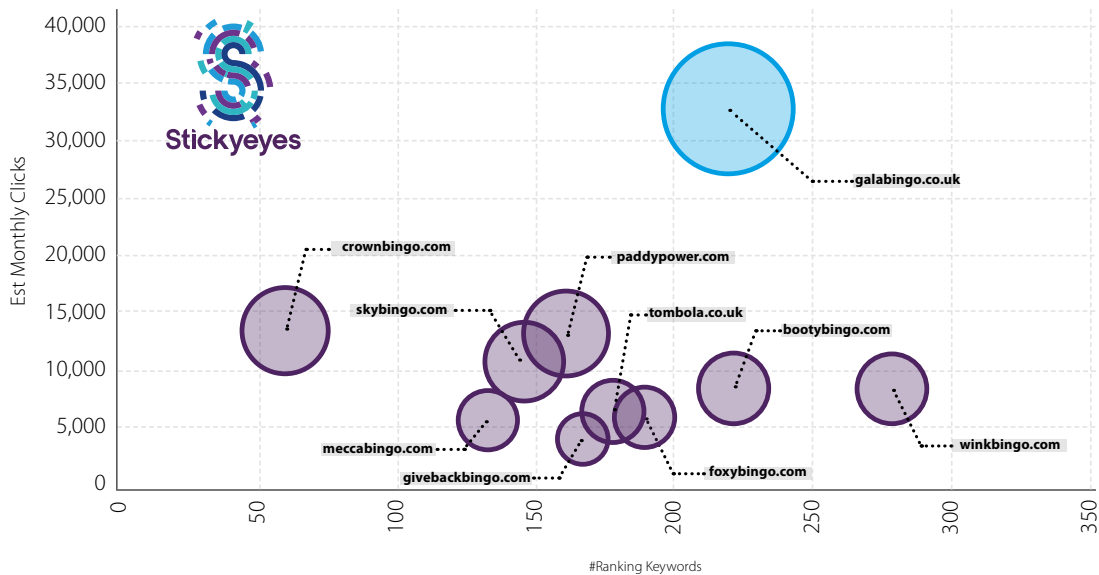


Table 4 - Organic Search Visibility: Online Bingo



# SEO Visibility of Bingo Brands

Table 5 - Brand visibility

No.	Site	Visibility	Keywords ranking	Weighted average rank	% Pos. 1 clicks	Keyword %
1	galabingo.com	32,409	219	18	47.0%	68.7%
2	crownbingo.com	13,669	60	10	19.8%	18.8%
3	paddypower.com	13,446	161	14	19.5%	50.5%
4	skybingo.com	11,053	146	16	16.0%	45.8%
5	bootybingo.com	8,780	221	15	12.7%	69.3%
6	winkbingo.com	8,729	278	18	12.7%	87.1%
7	tombola.co.uk	6,800	178	26	9.9%	55.8%
8	foxybingo.com	6,363	189	16	9.2%	59.2%
9	meccabingo.com	6,090	133	15	8.8%	41.7%
10	givebackbingo.com	4,503	167	27	6.5%	52.4%

Instead, it is a reflection of the sheer power of this one keyword, and how it has grown to dominate the market to a point where a brand can become one of the most prominent purely on the basis of this term.

## Sustainable SEO still matters

The way in which this one keyword can influence the market is typified by the visibility of Crown Bingo, which ranks in second position for the term 'bingo'. Our analysis suggests that this one keyword accounts for a staggering 99.5% of the brand's organic non-brand traffic.

Crown Bingo ranks for just 60 of the 319 keywords in our analysis – the lowest keyword coverage of any of the 25 most visible brands – and just four of the brand's 60 rankings are first-page positions. See table 5.

Whilst keyword coverage alone is not necessarily a measure of how sustainable a brand's SEO strategy is, it does highlight the extent to which a brand could be exposed to even relatively modest fluctuations in search rankings. Even a small drop from position two to position three could see the brand's visibility drop by more than one fifth (22.7%).

This isn't a particularly new phenomenon, and we have seen both in the bingo market and in similar sectors where the market is disproportionately focused around one or two high-volume keywords, that brands can rank prominently at any given point in time.

The challenge for any brand is to ensure that they are sustaining that visibility over the longer term by building their rankings across the full breadth of the keyword market, and supplementing this with a strong brand presence.

## What about the role of links?

The role that backlinks have played in search engine results, particularly in a market such as bingo, has been the subject of much discussion. Since the roll-out of the Penguin algorithm in 2012, designed to 'clean up' SEO practices, the importance and prominence of links has diminished somewhat.

That doesn't mean to say that backlinks don't have an influence, but it is generally more difficult to correlate links with rankings than it once was. There are now so many other factors, from reputational and user experience, through to proposition, content and technical factors, that all play a much bigger role in influencing search rankings.

What we see from the analysis (in table 6) of the ten most visible brands are very different linking profiles. It is clear that two brands, Gala Bingo and Paddy Power, both have incredibly diverse backlink profiles, with more than 31,000 linking root domains each, whilst competing brands have significantly less.

Link quality is generally on the low side, with an average link quality score of 15%.

## The power of brand, and the challenge for affiliates

One story that this analysis also seems to show is that brand reputation and proposition appear to be major factors in this search market, and this has implications for bingo affiliates in particular.

Just two affiliate sites, WhichBingo and FreeBingo.co.uk, appear in the top twenty most visible brands overall in this market, and all affiliates in this market face specific challenges.

Table 6 - Brand link profiling

No.	Site	AHREFS UR (backlink quality score)	Linking root domains (AHREFS)
1	galabingo.com	13%	31,900
2	crownbing.com	17%	703
3	paddypower.com	19%	32,500
4	skybingo.com	11%	999
5	bootybingo.com	12%	371
6	winkbingo.com	28%	2,310
7	tombola.co.uk	13%	2,300
8	foxybingo.com	12%	2,880
9	meccabingo.com	13%	4,120
10	givebackbingo.com	7%	57

Historically a number of affiliates have relied on the content of the brands that they refer traffic to, without really adding a significant degree of value to that user journey. Previously, these affiliates would still rank prominently, but this has changed in the modern search market.

Those affiliates that simply act as a springboard between Google and the operator have seen their rankings decline, as Google decides that such sites are merely adding an additional, needless click to the user journey. The few affiliates that remain being those that offer genuine value to the user experience, such as a genuine comparison of services and promotions, or unique content and advice that is valued by the consumer.

Perhaps more pertinent in 2018 and beyond is the level of trust that affiliates have in the market. A spotlight has been cast on affiliate brands due to the way in which some have operated, and following the decision of some brands to close their schemes entirely. Will this reputational crisis further damage their search visibility in the coming year?

Google has made no secret that reputation is a key factor in its ranking algorithm, particularly in search markets where user trust and security are of particular importance. Big brands, with the big reputations and the strong propositions are able to leverage this and build holistic strategies that build that reputation and enhance their organic non-brand search traffic. It is up to affiliate brands in every sector, not just bingo, to find a way in which they can carve out their own valuable and trusted USP.

#### About our data

For the purposes of this report, we have analysed a total of 319 keywords across the bingo market. These keywords represent the largest traffic-driving keywords in the market. This does not include brand keywords, which are not represented in this analysis.

The total monthly organic search volume of these keywords is 285,833. Search volume for keywords that experience seasonal fluctuations are reported as an annual average figure, and not as a seasonal peak figure.

Visibility is calculated by analysing the search ranking of each domain for each keyword, and the search volume for each of those respective keywords. Stickyeyes applies an industry average click-through rate for each ranking position to determine the estimated traffic.

Maximum traffic is an estimate of the level of traffic that a brand could expect from organic, non-brand search terms if it were to rank in position one for every keyword that we analysed.

Domains that rank in search results multiple times for the same keyword term are only credited with visibility for the highest-ranking position. Results for the web domains of government or regulatory agencies are not included in this analysis.

For the purposes of this analysis, we have excluded affiliates unless expressly stated otherwise.



# Bingo and Social Media

A handful of online bingo companies are rising to the challenge of social media by publishing engaging, non-salesy content and creating large communities of fans. The majority, though, are still stuck in a lonely world of self-promotion.

The leading pack, which includes Gala Bingo, tombola, Mecca Bingo and Sky Bingo, is moving away from publishing thinly veiled adverts and is, instead, experimenting with innovative new Facebook features such as live video and 360° images, to drive reach and engagement.

## Social networks

Facebook remains by far the most active social media channel used by online bingo brands. The average audience size for the top ten brands (by fan numbers) has increased 16% over the past year, with tombola attracting 31k new fans, Gala Bingo 19k and Mecca Bingo 16k. The largest percentage Facebook audience growth was achieved by Heart Bingo (+37%), Sky Bingo (29%) and Lucky Pants Bingo (+24%).

Twitter is maintained by nine of the top ten online bingo brands, but audience growth has almost flatlined over the past year. Follower numbers increased just 7%, on average, reflecting the prevailing industry view that Twitter is not

greatly used by online bingo players.

Instagram audiences grew by 45% during 2017, but this needs to be seen in context. The top 8 online bingo brands on Instagram only have 13,000 followers between them and engagement levels are very low. It may be growing, but Instagram isn't yet setting the world of online bingo alight.

YouTube continues to be used as a repository of TV ads and competition videos, rather than a marketing opportunity.

## Social media referrals

Last year we reported that, according to publicly available data, traffic referred to online bingo sites from social media fell from 2.98% in 2015 (of total traffic) to just 1.38% in 2016. We don't have access to this data for 2017, but we are also growing increasingly skeptical of its value.

Around 80% of social media usage happens on mobile devices and yet, most web analytics platforms can't correctly attribute traffic from mobile apps. This raises the question: is it worth measuring?

Table 1 - Social media audience size and referral traffic

No.	Brand	Facebook 2017	Facebook 2016	Twitter 2017	Twitter 2016	YouTube 2017	YouTube 2016	Instagram 2017	Instagram 2016
1	galabingo.com	155,214	136,000	23,324	19,932	672	495	1,183	447
2	tombola.co.uk	149,316	118,000	7,580	7,022	1,084	356	2,650	1,551
3	jackpotjoy.com	124,445	121,000	10,400	9,981	712	674	791	NA
4	meccabingo.com	124,003	108,000	23,300	22,726	463	364	7,157	6,458
5	foxybingo.com	45,104	44,500	13,300	13,357	954	603	159	313
6	skybingo.com	40,023	28,500	5,740	5,334	NA	36	NA	NA
7	heartbingo.co.uk	27,957	17,500	4,687	4,297	59	50	180	98
8	winkbingo.com	25,349	24,500	4,685	4,585	801	811	94	23
9	kingjackpot.co.uk	9,131	8,500	NA	NA	NA	674	NA	NA
10	luckypantsbingo.com	8,547	6,500	758	478	29	21	762	45

Sources: Sprout Social (January 2018). Previous figures from Similarweb (November 2016).

Table 2 - Facebook engagement

Brand	No. of likes	% change in fans	No. of posts	Engagements on brand posts	Engagements per posts	Engagements as a % of fans
galabingo.com	155,214	12.38%	432	212,604	492	136.97%
tombola.co.uk	149,316	20.97%	542	345,849	648	231.62%
jackpotjoy.com	124,445	2.76%	117	23,557	201	18.92%
meccabingo.com	124,003	12.90%	959	173,684	181	140.06%
foxybingo.com	45,104	1.33%	NA	818	21	1.81%
skybingo.com	40,023	28.79%	NA	138,367	5,765	345.71%
heartbingo.co.uk	27,957	37.40%	NA	3,201	168	11.44%
winkbingo.com	25,349	3.34%	NA	NA	NA	NA
kingjackpot.co.uk	9,131	6.91%	NA	NA	NA	NA
luckypantsbingo.com	8,547	23.94%	83	218	3	0.97%

Source: Sprout Social, January 2018

The leading bingo brands are focusing on building brand awareness and customer engagement, rather than driving web traffic – and we endorse this approach. With the exception of traffic delivered via social advertising, the metric of ‘referrals from social’ should be demoted to a secondary KPI, in our opinion.

**Facebook engagement**

The amount of engagement a Facebook Page receives continues to be seen as a critical health check metric. In 2016, tombola dominated the rankings for Facebook engagement, but 2017 saw a dramatic improvement from their competitors.

Gala Bingo, Mecca Bingo and Sky Bingo are all investing in increasing Facebook engagement. While tombola racked up an impressive 345k engagements during 2017 (up from 40,000 in 2016), Gala Bingo attracted a creditable 212k engagements with Mecca on 173k and Sky on 138k.

This growth has been largely driven by an increase in competition posts, reaction polls, live video posts and innovative techniques, such as 360° images. Live video polls, in particular have produced spectacular results. Gala Bingo’s The Chase live video competition in November, for example, attracted over 27,000 comments in just 1 hour.

**A final word**

While the top four online bingo companies on Facebook continue to innovate, it is disappointing that the gap between ‘the best’ and ‘the rest’ has not reduced in the past year. The leading pack has proved the model for success, so there is little reason for mediocrity.

But, we would urge some caution. Facebook recently announced that it is reducing the organic (unpaid) reach of brand pages that use ‘engagement baiting’ tactics - such as asking people to Like or Comment on a post. Many of the leading online bingo companies fall squarely into this category.

To succeed in 2018 we recommend that brands re-focus on building a genuine community by posting topical or useful content and by running campaigns that drive ‘real’ conversations. Increasing the use of live and video content, which is prioritised in the Facebook newsfeed, is also likely to drive positive results.

*“It may be growing, but Instagram isn’t yet setting the world of online bingo alight.”*

**Author contribution**

Luke Brynley-Jones is a social media consultant with over 17 years of industry experience. His clients include Bayer, Marriott Hotels, Sage and Thomson Reuters. Based in Cambridge, he is Managing Director of OST (<http://ostmarketing.com>) an award-winning social media agency with a global client-base.



# Online Bingo Player Survey

## Key findings from the 2017 WhichBingo Player Survey\*.

### Key findings

- Online bingo continues to attract a younger audience, with the majority of players loyal to a small number of brands.
- More than a third of players play online bingo every day, but the length of time spent playing is getting shorter.
- £50 is the magic number: Most deposit less than £50 per month. Most choose to withdraw when winnings hit £50.
- Majority of people play on a single device, with mobile increasingly the most popular.
- Increase in bingo app usage, thanks to Google Play Store on Android finally allowing gambling apps.
- Huge change in attitudes towards deposit bonuses, with most preferring fairer, no-wagering options.

### Demographics

For the second year in a row, our survey data has shown that online bingo is attracting a younger audience, with 18-34 year olds now accounting for 25% of all players. The gender divide remained exactly the same, with a split of 82% female to 18% male ratio.

### Membership

This year's survey indicates an increased level of player loyalty, with a 25% increase in the amount of players with memberships of just 1-5 different bingo sites. The amount of players with more than 10 online bingo accounts has fallen by 24%. These trends could reflect the loss of so many free bingo (no deposit required) sign-up offers in the 2nd half of 2017 and an increase focus on customer retention from the top brands.

Table 2 - How many bingo sites are you a member of?

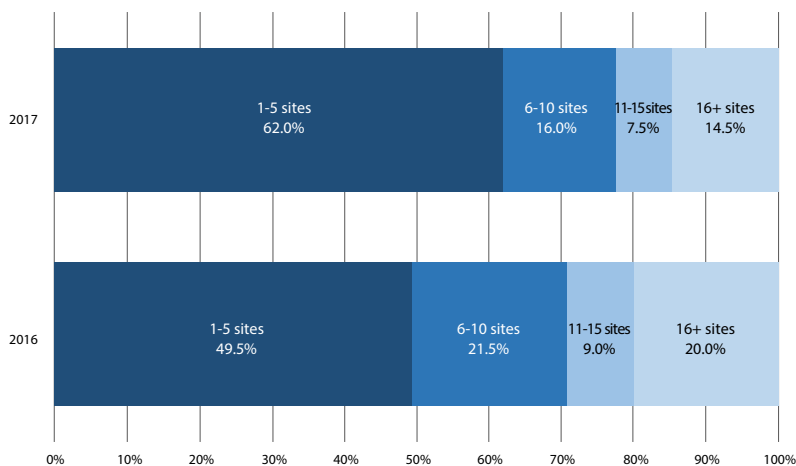
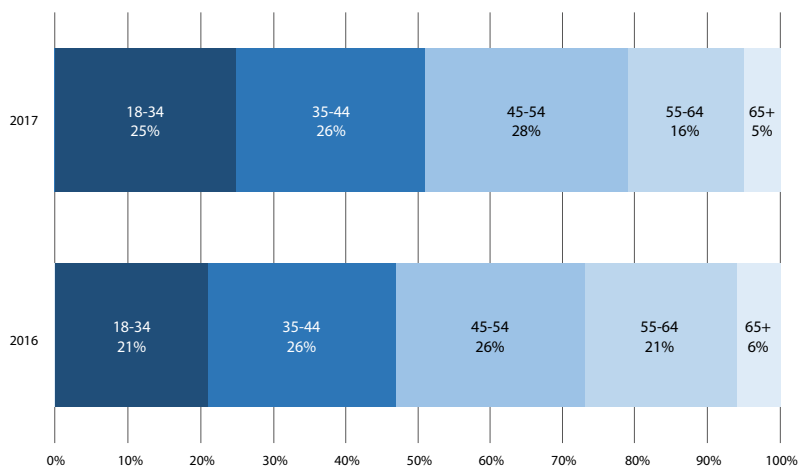


Table 1 - Online bingo players by age group



*“This year’s survey indicates an increased level of player loyalty...”*

### Spending habits

This year's survey indicates that players are depositing less on average than they were in 2016. The amount of players who deposit more than £50 per month has fallen from 39.5% to 28.5%, with a big increase in the number of players at the lower end who deposit £10 or less. Overall, two-thirds of players deposit less than £50 per month.

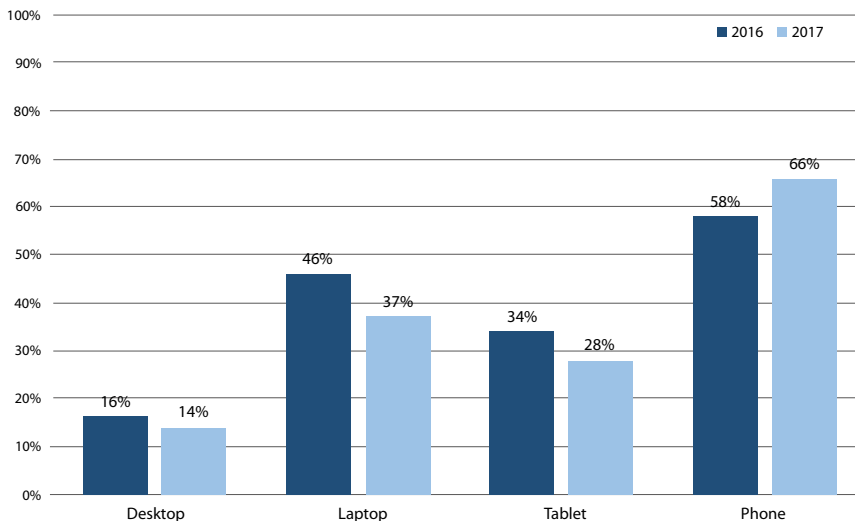
Table 3 - How much do you deposit per month?



### Mobile domination

Mobile play has grown for the second consecutive year, with two-thirds of all players using their smartphones to play bingo. Activity on each of the other main devices saw a decline on the previous year, further emphasising the importance of mobile, which grew by 13%.

Table 4 - Which devices do you use to play online bingo? (multiple choice)



# Online Bingo Player Survey

Although players have a wide choice of devices they can use to play bingo, our survey shows that only 35% of players use multiple devices to play. The majority of players (65%) stick to one device for their bingo gaming.

Table 5 - Which devices do you use to play online bingo? (multiple choice)

	% of players
Only phone	35.5%
Only laptop	14.5%
Only tablet	8.5%
Only desktop	6.5%
Multiple devices	35%

Of those who use mobile and tablet devices, we have seen an increase in the number who are downloading a specific bingo app to play, as opposed to using their web browser. This is no doubt due to gambling apps becoming available in the Google Play Store in 2017, making apps easier to find and download on Android devices.

Table 6 - When playing bingo on mobile or tablet, do you...

	% of players 2016	% of players 2017
Play via the web browser	61.5%	49.5%
Play via a downloaded app	12%	17.5%
Play via both apps and web browser	26.5%	33%

## Withdrawals

This year we asked, "Is there an amount which you'll only withdraw if you get above it?". The results were interesting, with a mode average of £50 being the most popular response. £100 was the second most popular choice at which to withdraw. Overall, 93% of the 404 players who answered this particular question gave a value of less than £100, which suggests bingo players are happy to withdraw small amounts of winnings.

The vast majority of players surveyed had experience of making a withdrawal (78%). This amount was slightly down on 2016 (82%). One fifth of all players said they had not made a withdrawal at all.

## Wagering and bonuses

This year's survey shows a remarkable turnaround in

Table 7 - How much must you win before you withdraw

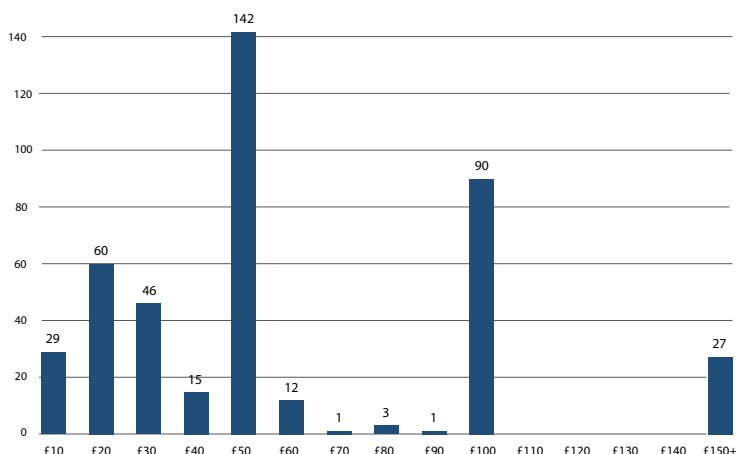


Table 8 - Have you ever made a successful withdrawal?

	2016	2017
Yes	82%	78%
No	18%	22%

player opinion towards sign-up bonuses with wagering requirements. In 2016, the majority of players told us they would prefer to receive a deposit bonus, even if it meant they had to meet wagering requirements. This year, the figures have almost perfectly flipped in the opposite direction, with most players now stating they would prefer to get no bonuses if it meant they could withdraw without any difficulties.

Table 9 - When joining a new site, would you rather...

	2016	2017
Receive no bonus - withdraw winnings at any time	38%	61%
Receive bonus - no withdrawal until wagering requirements met	62%	39%

## Playing habits

The majority of those surveyed (79.5%) play online bingo at least once a week, with more than a third of players admitting to playing every day. There has been a notable



Table 10 - How often do you play online bingo?

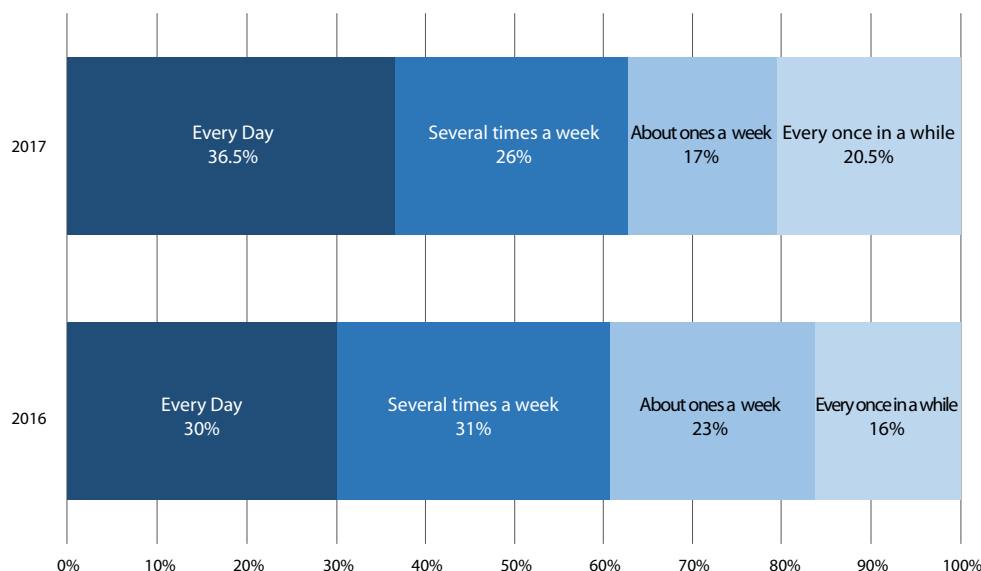


Table 11 - How long do you play for in one sitting?

	2016	2017
Less than 30 mins	4.5%	10%
30 mins to an hour	19.5%	27%
1-2 hours	35%	32%
2-3 hours	20.5%	14%
3-4 hours	10%	10%
4+ hours	10.5%	8%

increase in the amount of players who play every day, which is now more than a third.

In regards to actual time spent per session, there has been an overall decline in the amount of sessions lasting longer than an hour, with growth in the number of quick sessions lasting less than an hour. This could be reflective of the increased use of mobile as the primary device for playing online bingo.

Slot games remain the most popular other form of online gambling amongst the bingo players surveyed, with 62% (down from 67% in 2016). Scratch and instant win games (31%) and lottery (20.5%) were the next most popular alternatives.

Table 12 -Do you play other forms of online gambling?

	2016	2017
Slots	67%	62%
Scratch / Instant WIns	43%	31%
Lottery	37%	20.5%
Horse Racing	20%	6.5%
Roulette	16%	9.5%
Blackjack	14%	6%
Sports Betting	13%	9%

### Player psychology

In 2016, when we asked players “Would you describe yourself as a gambler?”, we were surprised that 47% of players said “No”. This year, we asked again, and this time that figure had increased to 62%. This opens up the debate once again as to whether online bingo in general is seen by players as a form of entertainment, rather than a typical ‘gambling to win money’ activity.

Table 13 - Would you describe yourself as a gambler?

	2016	2017
Yes	53%	38%
No	47%	62%

# Bingo Sites and Software

2017 saw a reversal in fortune with regard to UK online bingo sites opening and closing. New site openings tumbled while closures soared. The Total number of live sites at the end of the year was 421.

WhichBingo remains the number one destination for the most comprehensive directory of UK licensed online bingo sites. We update all open and closed sites and monitor the market for software providers and any changes within the industry that might be of interest to players.

By comparison, 2016 saw the number of active licensed UK online bingo sites listed on WhichBingo rise to an all time high of 437, and by the end of 2017 that number dropped by 16 to 421.

## New bingo sites

While 40 new bingo sites opening for business in 2017 (see table 1), this is the lowest number of new online bingo site launches since 2012. Online bingo site closures were almost three times higher than the previous 12 month period.

Table 1 – New online bingo sites opened in 2016 by software provider

Software Provider	No.
Dragonfish	17
Cozy	12
Jumpman Gaming	7
Playtech / Virtue Fusion	1
Bede	1
Relax	1
Microgaming	1
TOTAL	40

## Analysis

There were three main issues which we believe affected the rate of new site openings in 2017:

1. New taxes on bonus funds being levied to online bingo sites from August 2017.
2. Tighter controls on advertising and how offers are worded, to ensure that terms and conditions were made clearer and fairer.
3. New regulations regarding the design of sites. They could no longer use cartoon style characters on their homepage designs or feature such characters from slot games to ensure they do not attract under 18s to the site.

Of the 40 sites opened, only seven were by individuals opening white label sites, the rest by established bingo operators. Interestingly, of those seven, five opted for Jumpman Gaming.

The order of preference for the platforms of choice for new sites did not alter in 2017 with Dragonfish retaining its top position. This could be because of the new network it brought to the table, the Real Bingo Network, that removed traditional bonuses and the need for wagering requirements.

The Cozy online bingo platform had to remove its famous £15 no deposit bonus offers and change much of the imagery on its sites, so it was no longer such an attractive prospect for potential new white label operators.

The Jumpman Gaming figure would have been higher, but we understand that changes to the platform are coming around March 2018, so some of the 'coming soon' sites on that platform delayed their opening dates.

## New sites coming soon

At the end of 2017 we were showing 26 bingo sites as 'coming soon'. Although 12 sites that were scheduled to open in 2017 actually became inactive domains and a further five have been pending for over a year, the potential for new sites keeps coming.

Table 2 - New online bingo sites 'coming soon' by software provider

Software Provider	No.
Dragonfish	15
Jumpman	6
Cozy	4
Mr Q	1
TOTAL	26

As stated above, the appetite for the Cozy brands has fallen away significantly, while the updates made by Dragonfish to welcome offers and its games and promotions, plus its strengthened retention activity, continues to make it the strongest platform.

2018 should be interesting if the promised new bingo platforms from Yggrasil and 'Mr Q' gets off the ground. This would be the newest addition to the bingo world, the first since Jumpman Gaming in 2012. If the base site launches and proves popular, this could open the floodgates for a whole mass of new white label sites.

## Site closures

As anticipated in our 2017 report, the tax changes impacting bonuses has had a significant effect, with 55 sites

closing for good in 2017, up from just 20 in 2016. At least 25 of those closed between September and December 2017, following the changes to the tax rules in August.

Cashcade sites got a new owner in GVC at the beginning of the year and they wasted no time in weeding out the sites they believed to be no longer viable, closing 11 sites so far.

Table 3 - Online bingo site closures by software provider

Software Provider	No.
Dragonfish	20
Playtech/ Virtue Fusion	7
Bingo Entertainment*	7
Jumpman	6
Gamesys	4
White Hat	3
Parlay	3
Bede	2
Cozy	1
Microgamming	1
IGT	1
<b>TOTAL</b>	<b>55</b>

Although they didn't actually close down, we have \*included seven Bingo Entertainment sites in this list as they made the decision to vacate the UK online bingo market.

### Sites by software

As predicted, Jumpman Gaming finally passed Playtech in 2017 as the third most prolific software provider as a few of the smaller sites on that platform closed and others transferred to Bede. The gap could grow further if all the pending Jumpman sites open as planned.

Contrary to expectations, the anticipated number of new Jumpman Gaming openings did not materialise in full and so the top 5 positions for total number of bingo sites held on specific software platforms remain unchanged in Table 4.

421 active sites is still a healthy number and if only the strong are surviving that is a good thing for all concerned; owners, operators, affiliates and players.

### Predictions for 2017

While there are still strong numbers of online bingo sites with active domain names waiting to open, we fully expect to see many of these not to see the light of day and many

Table 4 - Online bingo sites by software provider

Software Provider	2017	2016
Dragonfish	192	194
Cozy	106	95
Jumpman Gaming	42	41
Playtech / Virtue Fusion	31	42
Gamesys	9	13
Microgaming	9	10
Parlay	7	10
Bede (was listed as IP&S 2016) Some trf from Playtech	7	4
Proprietary	4	4
Daub	4	4
Leapfrog	4	4
Relax	4	3
B-Live Gaming	2	2
White Hat Gaming (Exited bingo market 2017)	0	4
Bingo Entertainment (Exited UK market 2017)	0	7
<b>TOTAL</b>	<b>421</b>	<b>437</b>

smaller sites, especially those owned by individuals without big marketing budgets, close their doors during 2018.

Consolidation of the market will continue. We expect even less new sites to open as retention and re-activation becomes much more important. Players are becoming more 'savvy' with each passing month. They are carefully checking wagering requirements against what they are getting for their money.

No deposit bonuses are virtually a thing of the past as they are no longer financially viable and operators will have to find new ways to attract and keep players coming back. It is no secret that such offers delivered many registrations, but not many first time depositors (FTDs), so there may in fact be some relief from operators that their hand has been forced in this way.

The caveat to this downturn in numbers of new sites is if a new bingo platform, or even two, should materialise. Mr Q has been in development for quite some time, but we understand may be near to a viable product and Yggdrasil Gaming recently announced that they are to enter the bingo vertical. It will be interesting to see if Yggdrasil can deliver on their promise of being *'...the creators, the game changers, driven by our passion for developing cutting edge online and mobile games...!'*

# The Usability of Signing up to a Mobile Bingo Site

Over the last 5 years, we've seen visitors to WhichBingo on mobile increase from 13% back in 2013 to almost 60% in 2018. So how easy are operators making it for players to sign up on mobile sites?

We've reviewed three different online bingo operators, each with different software solutions, and analysed the usability of signing up to their sites. In simple terms, any user of Gala, Jackpotjoy or tombola have one goal; to play online bingo and the only thing standing in their way is a sign up form. So who's getting it right?

## Reducing the number of inputs

Minimising the number of fields within the sign up form doesn't necessarily mean it will be a better experience for the end user. However, consideration should be given to the amount of interaction points each data input field requires. A good example is Gala's sign up process which includes 18 input fields with a total of 38 interaction points. See Table 1.

Table 1 - Inputs and Interactions

Bingo brand	No. of Inputs	No. of Interaction Points
Gala	18	38
Tombola	20	25
Jackpotjoy	23	39

## Tombola

By comparison, tombola seem to have adopted a similar process, but with an increase in two additional data input fields, which requires less interaction to complete the sign up process. This suggests a better user experience because it only requires 25 interaction points from 20 input points. Tombola requires less interaction to complete the sign up process resulting in a better overall sign up experience in our opinion.

## Jackpotjoy

Comparing Gala and tombola to that of Jackpotjoy, they have opted to split their sign up form into three steps. This helps to improve the cognitive load on a users brain, instead of being presented with a large form and lots of information to digest.

However, Jackpotjoy have added additional fields in the sign up form, which appear to be marketing lead and not necessarily compulsory to the sign up or validation process, which increases the number of input fields and the level of interaction. This in turn, makes the sign up process longer and more complicated, and if you were to join Jackpotjoy and fill all the information within the sign up form, you'd be expected to interact 39 times with 23 input fields.

*“Tombola requires less interaction to complete the sign up process resulting in a better overall sign up experience in our opinion.”*

## Inline labels

When presented with a sign up form, it is vital to display clear instructions of what information is required. Labels are a good way to tell the user the purpose of the input field, while making the form more accessible. For example, placeholder text is located within the form field and disappears on interaction of the input.

Excluding labels from your form can save significant screen space when you are designing for smaller mediums such as mobile. Unfortunately this approach is somewhat flawed because it provides the user with a lack of context. People are already cautious about the security and privacy of their data. Providing context of why you need to collect such sensitive information will reassure them that their information isn't going to be shared with third party companies.

Illustration 1 - Gala, tombola and Jackpotjoy sign up forms compared



Gala, tombola and Jackpotjoy all display labels that give the user context within their sign up process. Tombola have chosen to display their labels inline of the input. This transitions on interaction to the right hand side of the field while still providing the user with the supporting information they require. This also saves valuable on screen 'real estate'.

While all three bingo brands adhere to best practices by providing their users with supporting context, Gala have duplicated their form labels and placeholder copy. This feels

somewhat counter-intuitive to what the user would expect. Replicating a similar pattern to tombola would enable Gala to further reduce the visual clutter and allow them to further enhance the prominence of their input fields as editable areas.

### Real-time validation

There is nothing worse than filling out a form and getting to the end of the process, then realising you have multiple errors that need fixing. Immediately informing the user of what data is required can significantly improve the user's experience. This allows them to fix errors before proceeding to the next stage and such a process is also much quicker and decrease hard bounces.

When errors are validated in real-time, messages need to be clear and concise and placed in close proximity of the required input fields. The user's expectation can be significantly improved with the use of field specific error messaging and colour to convey their meaning

Looking at Gala and tombola's approach, both have adopted a two step validation process on the first and last name fields. This alerts the user that a minimum number of two characters are required. The second step checks for special characters that may of been entered intentionally or accidentally. Both messages are tailored to each specific interaction and identify what information the user must enter.

Jackpotjoy's UX is somewhat different and less explicit in comparison to Gala and tombola. Jackpotjoy use iconography to convey their error messaging may save valuable real estate, however this shows a lack of context for the end user. To view the error the user must interact with the field again, this adds a further frustration and creates an additional interaction point to understand what the error is in the form of a tooltip.

### Make the password field visible

UX industry experts Nielsen Norman Group recommend passwords are always visible on mobile<sup>1</sup>. "When people can see what passwords they type, they make fewer mistakes and they can review their password once entered". Such a behaviour is becoming more common these days, and users will naturally hide their device from prying eyes while entering sensitive data. This process works really well if you still provide your users with the option to hide their password when necessary.

Out of all three bingo brands only Gala give their users the ability to mask their password. By applying a tiny change to the behaviour of this approach would adhere to best practices. Simply switching the default state to display the password by default could minimise potential user errors.

Another benefit of Gala's implementation is the reduction of additional interaction points, because unlike Jackpotjoy and tombola, they don't need to request the user re-enters their

password credentials to validate it's correct. By clicking the 'eye' icon, users can check themselves that they have entered their chosen password correctly. See illustration 2.

Illustration 2 - Gala sign up form, show password "eye" icon



### Providing the right information

When requesting information from a user, it's vital you assist them through the journey and provide the right indicators. Give people examples of how the data needs to be entered so you can ensure the information you collect is correct.

The date of birth field is a good example of why you need to provide context to your users, and if you want to sign up to any gambling site you must be 18 or over. Only Jackpotjoy explicitly display a message indicating what age you need to be to use their site. You could argue that this isn't placed in close proximity to the associated fields, but at least it's explicit enough to the end user what age you need to be. Another good example is Gala, who have made the conscious decision to use iconography to convey their message.

### Takeaway

- Try not to use placeholders within input fields. Opt for labels instead with a transition in state on user interaction, like tombola, which provides supporting context while the user enters their details.
- Refer to Nielsen Norman Group's recommendations of displaying password credentials as default to reduce fewer mistakes, while removing the need for an additional confirmation field.
- Display the password by default while giving the user the ability to hide their password. Gala's eye pattern works perfect as it allows their users to show and hide their details.
- Disclose password constraints and provide real-time user feedback by displaying a password strength indicator. All three bingo brands don't currently use this feature but this feature should prompt users to create stronger passwords.
- Nowhere within the Jackpotjoy process does it identify to the user it's a three stage process. Use a progress status across multiple screens to improve the user's orientation. Also consider allowing users to navigate back to a previous steps so they can amend their details.
- Use single input's wherever possible. Gala's date of birth field is a great example because it cuts down on the number of interaction points while providing the user with the correct keyboard to match the required data.

<sup>1</sup><https://www.nngroup.com/articles/checklist-registration-login/>

# WhichBingo Awards 2017

The 2017 WhichBingo awards ceremony was one of the best yet, with a fantastic night of celebration and cabaret at the Café de Paris, London.

Yet again the WhichBingo Awards raised the bar for location, glamour and glitz. Previously at Madame Tussauds in 2016, this year saw the industry-attended event open its doors at the iconic Café de Paris in London.

Guests arrived at the famous club to be greeted by the all-girl can-can dance troupe Cabaret Rouge, before enjoying a champagne reception and canapes. Performances from host Des O'Connor & Cabaret Rouge followed, with the awards ceremony presented by WhichBingo founder Phil Fraser.

*“Heart Bingo were the biggest winners on the night, collecting three awards including Best Online Bingo Site.”*



Cabaret Rouge posing for photographs with arriving guests

## 2017 Award Winners

Award Category	Winner
Best Online Bingo Site sponsored by StickyEyes	Heart Bingo
Best Mobile Bingo Experience sponsored by FireCask	Sky Bingo
Most Socially Responsible Operator	Mecca Bingo
Best Customer Service	Mecca Bingo
Best Online Bingo Community	Heart Bingo
Best Cozy Games Bingo Site	WOW Bingo
Best Dragonfish Bingo Site	Wink Bingo
Best Microgaming Bingo Site	Dream Bingo
Best Playtech Bingo Site	Gala Bingo
Best New Online Bingo Site	Ted Bingo
Best Slots Site	Gala Spins
Best Online Slots Game	Double Bubble - Heart Bingo

Over 11,000 players cast their votes during the four week voting period to decide the winners of ten awards, with a further four winners selected by a panel of expert judges. Heart Bingo were the biggest winners on the night, collecting three awards including Best Online Bingo Site.

Mecca Bingo celebrated winning two of the judged categories: Best Customer Service and Most Socially Responsible Operator. Gala also won two awards: Best Playtech Bingo Site and Best Slots Site for their fledgling Gala Slots brand. Sky Bingo took the gong for Best Mobile Bingo Site.

### WhichBingo Awards 2018

If you wish to get involved in the 2018 WhichBingo Awards, either by nominating one of your brands, attending the event or becoming a sponsor, please contact [awards@whichbingo.co.uk](mailto:awards@whichbingo.co.uk) or visit [www.whichbingo.co.uk/awards](http://www.whichbingo.co.uk/awards) for more information.



Founder of WhichBingo, Phil Fraser presenting the awards



Heart Bingo posing with their three awards



14 trophies were handed out on the night

## OperatorAccounts

The Operator Accounts dashboard allows brand owners to read and respond to player reviews quickly and efficiently. Reviews are displayed in an easy-to-use table, which can be filtered by date and brand. A simple click on the table allows the operator to read the review and write a response, which is then instantly published on WhichBingo.

**71% of players are more likely to trust a bingo site that responds to player reviews.**

\*Survey of 503 WhichBingo visitors, December 2017.



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[operators@whichbingo.co.uk](mailto:operators@whichbingo.co.uk)





## Alerts

Get email notifications whenever a review is posted about your brand.

## Verified Replies

Reply quickly and easily using an officially verified account.

## Influence

Earn player trust and increase your WhichBingo star rating.

## Get Access

If you are an operator and wish to access the Operator Accounts system, please contact us directly at [operators@whichbingo.co.uk](mailto:operators@whichbingo.co.uk) to arrange a live demo.



# M&A in the Bingo Sector

M&A activity will not slow down in 2018, says Ben Robinson of RB Capital. While this brings with it its own set of challenges for bingo affiliates, there will also be opportunities for those able to implement growth strategies and identify sustainable partnerships.

The rate of mergers and acquisitions in the online gaming and betting space has continued apace in 2017 and 2018 shows little sign that it will slow down. But while much of the focus has centred on the online sports betting and casino verticals, the bingo sector has not seen as much activity and the deals in this space have not been as prolific.

This doesn't mean the bingo vertical has been inactive. If anything, bingo has proved its longevity, often in the face of harsh criticism, and growth is on the cards in 2018 for a vertical that also acts as a gateway to casino side games, which is where most bingo operators' profits come from.

According to gambling data specialist H2 Gambling Capital, the bingo sector will have experienced a 7.5% compound annual growth rate over the period 2014-18, a rate many industries would be more than happy with. Bearing in mind that there are around 424 information and review pages on WhichBingo alone, most of which show steady traffic growth, bingo operators clearly must be doing something right as their multi-brand strategies continue to produce results.

Looking at the major M&A deals that have happened in recent years, many of them have focused on betting or casino verticals such as bwin and PartyGaming merging to become bwin party in 2011; or William Hill's acquisition of Sportingbet's regulated business and GVC taking over its unregulated activities in 2014. More recently Paddy Power and Betfair created their own UK betting powerhouse by merging in 2015 and Ladbrokes and Gala Coral did the same in 2016.

The most recent news in the M&A space concerns GVC; namely that it is on the brink of taking over the newly-formed Ladbrokes Coral, in a deal valuing the UK land-

based giant at around £4bn. If anything shows how quickly events unfold in business, it would surely be seeing two of the three British betting 'giants' acquired by an operator that was worth just £100m five years ago.

When it comes to bingo, the companies just mentioned have an interesting relationship with the sector. PartyGaming (as it was then known) bought Foxy Bingo, one of the UK market leaders alongside Jackpotjoy, Gala Bingo, Mecca Bingo and tombola, for £95m in 2009. Foxy was integrated into bwin party and most recently into GVC, which resulted in Foxy Bingo's affiliate programme closing in January 2017 and 'lifetime' revenue share deals previously agreed with webmasters were terminated.

Not only did this upset many of the affiliates that had been promoting Foxy, it sets a potential warning for any affiliates that have been sending substantial traffic to Gala Bingo, which will be under GVC's control once its Ladbrokes Coral takeover is concluded. But then GVC is not the first, and will certainly not be the last, gambling group to terminate its affiliate programme from one day to the next.

Nonetheless, bwin's parent company, on top of being a major player in online and land-based sports betting once the Ladbrokes Coral deal is completed, will also become a major force in online and offline bingo, with its ownership of the Foxy Bingo brand complemented by Gala Bingo's online and physical estate. This means increased buying power for offline and digital advertising and additional liquidity for the sites, which will likely lead to more pressured margins on competitors, who in turn will be considering the possibility of their own M&A plans.

In November 2017 GVC also acquired Cozy Games for an undisclosed amount, unannounced at the time as it was

deemed small enough not to affect share price. This move was widely believed to have threatened the deal with 888's Dragonfish; platform suppliers to Foxy Bingo. Through this acquisition the group has inherited more than 100 bingo and casino sites, providing the business with a multi brand network, prompting analysts to speculate which direction the business will take the network.

Although if we look back to Intertain's purchase of Jackpotjoy parent company Gamesys for £425m in April 2015, the group had already embarked on consolidatory moves in the bingo space in June 2014, when it acquired Mandalay Media for £45m, potentially rising to £60m. Mandalay operates Costa Bingo, its main brand, alongside other sites such as Sing Bingo, City Bingo or Rio Bingo. Costa Bingo is not as substantive an operator as Jackpotjoy or Mecca Bingo, but it is a decent medium-to-large size operator and shows that the sector is attracting strong valuations even if its profile is not as high as casino or betting.

In July 2016 Stride Gaming, a gaming investment vehicle set up by former senior executives at the bingo technology firm Dragonfish, acquired bingo specialists Tarco Assets, its marketing partner Netboost Media and 8Ball Games, for an initial consideration of £27m which could rise to £70m with earnouts and incentives. Stride Gaming said the deals would make the group the number 4 bingo operator in the UK with 10% market share and "will represent over 25% of the UK online bingo market by number of sites (...) With a medium-term objective to increase our market share to 15%-20% of the UK online bingo market".

For bingo affiliates looking at these corporate moves, the logical question to ask is how will this concentration of player traffic, online and offline advertising budgets and

brand consolidation affect the existing acquisition deals they have with many of those bingo brands, as well as any exit plans they might have had.

For those who have already reached a certain scale and are confident of sustaining their bingo revenue levels, it could also be a good time to diversify, with the casino vertical being the obvious choice considering the cross-sell potential between the two.

And with scale being of such importance and the demand for it clearly there from potential acquirers such as XL Media, Catena Media or Raketech, the larger bingo affiliates are likely to look at the valuation of their existing assets to determine where they can optimise costs and maximise margins if they are interested in attracting potential buyers.

The rate of M&A on the operator side of the industry is unlikely to slow down in 2018. This brings with it its own set of pressures for affiliates and makes for an extremely competitive landscape where for some M&A will be the quickest route to growth. However, consolidation also brings its own set of issues and challenges, such as company culture clash or poor operational-technical integration.

There is still organic growth to be had in the online bingo and gaming sector in general, as evidence by the 7.5% GAGR mentioned earlier in this article. This means there will also be new opportunities for those able to exploit them.

*"The rate of M&A on the operator side of the industry is unlikely to slow down in 2018."*

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#### Author contribution

The 'M&A in the Bingo Sector' comment in this report has been written by Ben Robinson who is director of RB Capital, a specialist M&A and funding brokerage, combining best-in-breed expertise for growth, investment and M&A across gaming, fintech and media verticals.



# Compliance in the Bingo Industry

## How the bingo industry responded to compliance issues in 2017.

The Advertising Standards Authority cast its attention on the online gambling industry in 2017 with two notable warnings that caused UK bingo operators to scramble in a fight to ensure they were compliant with the rules.

The first warning came when several high profile operators were ruled against by the ASA for misleading adverts that were created and published by an affiliate marketer<sup>1</sup>.

The rulings made explicitly clear that operators would be held accountable for actions of their affiliates, even if the operator had not explicitly approved the offending advertisements. This caused a notable level of panic within the industry as operators reviewed their affiliate set up and issued new compliance rules of their own to all of their affiliate partners.

The second warning came soon after, following an article in The Times<sup>2</sup> which accused online gambling operators of deliberately targeting children through the use of cartoon-based games and imagery. In response to The Times article, the UK Gambling Commission, ASA, CAP & RGA issued a joint letter to all UK demanding the immediate removal of any marketing that could be considered appealing to those under the age of 18.<sup>3</sup>

### How the bingo industry responded

By this point, Sky Bet had already announced the closure of its Affiliate Hub platform<sup>4</sup>, citing 'growing regulatory concerns'. If affiliates activity could cause them harm, simply get rid of all affiliates was their logic. Although many in the industry still believe this action was taken as a cost-cutting measure more than any attempt to be compliant.

Paddy Power Betfair were the first to contact WhichBingo at the time with their new 'one-strike-and-you're-out'

affiliate policy<sup>5</sup>. Dozens of other affiliate platforms followed, each along similar lines and each with a similar list of requirements to ensure all marketing was up-to-date with clear T&Cs attached.

Here at WhichBingo we had already invested the time and energy in adding customisable T&C text across the site in 2016, plus we had recently made the decision to remove all banner advertising, so there was little for us to actually do when the new guidance was issued. We did however, issue our own compliance statement to reassure all our affiliate partners ([www.whichbingo.co.uk/compliance/](http://www.whichbingo.co.uk/compliance/)).

### Particular appeal to children

When the letter was published by the UKGC, operators were told to immediately remove, or place behind a verification check, any marketing materials that may hold particular appeal to children. This caused a lot of confused panic as brands scrambled to update their websites, removing all trace of any game that could potentially fall foul of the rules.

WhichBingo received multiple requests from affiliate contacts to update our screenshots, and whilst we did so quickly and efficiently, there was a real sense of inconsistency from the requests as to what each operator had interpreted from the ruling. Some felt simply removing the cartoon elements from offending games was enough, whereas others were taking no risks whatsoever and wanted all references to particular games removed, even if the name alone sounded appealing to children.

In a webinar<sup>6</sup> held on October 26th 2017, the ASA attempted to make clearer to all what was and was not acceptable using real examples from a 2015 ruling against Bear Group Ltd<sup>7</sup>. On this occasion a complaint was upheld

<sup>1</sup> "ASA rulings finds misleading ads through same affiliates from 888, SkyBet, Ladbrokes and Casumo."  
13 Sep. 2017 <http://www.igamingbusiness.com/news/asa-rulings-finds-misleading-ads-through-same-affiliates-888-skybet-casumo-and-ladbrokes>

<sup>2</sup> "Cartoons lure kids to online gambling | The Times"  
8 Oct 2017 <https://www.thetimes.co.uk/article/cartoons-lure-kids-to-online-gambling-vr6c83np6>.

<sup>3</sup> "Action required: removal of ads that appeal particularly to under 18s - Gambling Commission."  
20 Oct 2017 <http://www.gamblingcommission.gov.uk/PDF/Ltr-from-ASA-CAP-CG-RGA-final.pdf>.

<sup>4</sup> "Sky Betting & Gaming to end affiliate marketing program."  
<https://www.gamblingsider.com/news/4062/sky-betting-gaming-to-end-affiliate-marketing-program>

<sup>5</sup> "Paddy Power Betfair sets 'one strike' policy for affiliates | iGaming ...."  
15 Sep 2017 <http://www.igamingbusiness.com/news/paddy-power-betfair-sets-one-strike-policy-affiliates>

<sup>6</sup> "Gambling - our webinar and Q&A - ASA | CAP."  
16 Nov 2017 <https://www.asa.org.uk/news/gambling-our-webinar-and-q-a.html>

<sup>7</sup> "Bear Group Ltd - ASA | CAP - Advertising Standards Authority."  
27 May 2015 <https://www.asa.org.uk/rulings/bear-group-ltd-a15-297157.html>

against a TV advert and homepage design for their brand, Spin Genie, that was deemed to be appealing to under 18s.

Spin Genie's mascot at the time, a cartoon dog, was considered 'not adult in nature' and, given that animated animals were very common in children's programming, the character was likely to appeal especially to children, especially in the context of the claim, 'Spin will whisk you away to his magical world through levels to collect extra bonuses'.

Source: ASA / CAP webinar, 26th Oct 2017



Specific slot games were then also discussed, with a focus on those which combined cartoon style visuals with names that would sound familiar to children, such as 'Jack and the Beanstalk'. Fluffy Favourites, one of the most popular slot games with bingo players, was brought up on several occasions as a prime example.

Interestingly, not all cartoon based games would fall foul of the rules. Pharaohs of Lost Fortune, for example, features a more adult animated style and theme, and according to the ASA

would not be deemed as having particular appeal to children.

Source: ASA / CAP webinar, 26th Oct 2017



Several months have passed since the warning to operators, and many brands have taken visible steps in regards to content that could be appealing to children. The number of slot titles, particularly free-play demo slots, that are now accessible on home pages without logging in have dropped dramatically.

Slot titles that could be deemed risky are still available at most sites, but often only to logged in (and therefore age-verified) users. Slots such as Fluffy Favourites are still used in marketing materials, but usually without any of the toy characters in the creative.

*"The first warning came when several high profile operators were ruled against by the ASA for misleading adverts that were created and published by an affiliate markete<sup>1</sup>."*

# Compliance in the Bingo Industry

## Extreme makeovers

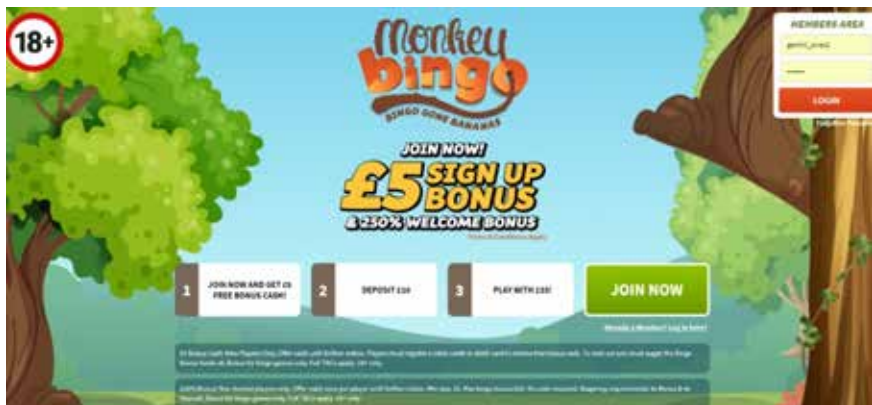
Ignite, who operate several bright and colourful bingo sites such as Costa Bingo and Monkey Bingo, appear to have opted to remove all cartoon characters from their homepages and then hide every other page of their sites behind the login.

In the example of Monkey Bingo, you can see that the monkey character and main site navigation have been removed from the homepage in order to meet compliance. But once you're logged in, the monkey is back and all of the pages are accessible in the nav once more.

**Before:** Monkey Bingo homepage featuring cartoon monkeys



**After:** New Monkey Bingo homepage hides main nav and removes monkey characters



**Logged in:** The monkey character is visible only to logged in users



Robin Hood Bingo are another brand who appear to have removed all of the cartoon characters from the site, creating new landing pages with a real actor in the role of Robin to avoid any complaints.

Despite these notable changes, there are plenty of bingo

brands who've made no changes whatsoever and still feature games, designs and characters that some people could consider as particularly appealing to children.

It will be interesting to see if the ASA provide any more clarity, or indeed dish out any more warnings in this regard in 2018.

**Merry Men:** The 'live action' version of Robin Hood now features on landing pages instead of the cartoon one



*"Despite these notable changes, there are plenty of bingo brands who've made no changes whatsoever and still feature games, designs and characters that some people could consider as particularly appealing to children."*

# Industry Predictions 2018

We asked some of the prominent and leading figures in the online bingo industry for their comments and predictions for 2018.



**Christopher Dean,  
Head of Bingo Yggdrasil**

2018 will see the online bingo industry mature further along with the rest of gaming. Regulatory and taxation squeezes will see businesses seeking to maximise the value of their

customers. Player engagement and effective cross sell will be common themes, with product playing a pivotal role. Accordingly, this year will also see traditional casinos looking to new verticals, including bingo, to gain a larger share of wallet, make headway in new territories or lower player acquisition cost.

Everyone understands the importance of mobile and the death knell for Flash has now officially been rung. Modern smartphones provide scope for offering greater player experiences than those from even just a few years ago. 'Mobile only' may become a buzzword this year, but for existing bingo operators, it's important to remember the value of desktop diehards.

There remains the opportunity for innovation in bingo, with few highlights last year. In particular the social aspect of bingo has suffered in the migration to mobile. We know people text chat in general on their hand held devices so a bit more focus on this area can get players talking again and more engaged. Attention spans are increasingly fleeting so the ability to do more with less effort is the gauntlet laid down to UX and UI.

Lastly, territories opening up will provide opportunities. Denmark is expected to be an early mover but keep eyes on the Netherlands with longer odds on Brazil. Expect the market to grow again with big operators continuing their trajectory but also some new entrants making waves

*“... over 75% of UK marketing databases will be obsolete past the 25th of May 2018.”*



**Jeremy Bygrave,  
CEO, 8Ball Games Ltd**

Data is king. It has been the mantra of our business since 2010. Yet, with all the head wind the industry faces from regulation to tax, I can't help feeling the sheer gravitas of the EU's General

Data Protection Regulation (GDPR) on marketing activity seems to have somewhat got lost.

We are all aware of GDPR and I'm sure working hard to make ourselves compliant, however few people I have spoken to have a clear strategy as to how they plan to mitigate the commercial impact. Whilst I proffer no legal advice, the assumption is that any marketing data that you do not have a fully documented trail showing a granular, affirmative opt-in consent, you simply cannot market to - and this includes your active players. A recent study conducted by W8 suggests that over 75% of UK marketing databases will be obsolete past the 25th of May 2018.

Between now and May, businesses will not only have to change their registration process and privacy policies for new players, they also need to test and roll out an effective 're-permission' campaign for their existing customer database whilst they can still target them.

On May the 26th I have a feeling some companies will no longer need to worry about email open rates and CRM performance as they simply won't have any player data to (legally) market to.

However, with chaos comes opportunity and those companies who have implemented an effective and timely plan may suddenly find themselves sending out marketing material in to a much less cluttered 'inbox'.

Post May 2018, compliant marketing data won't just be King it will be God!





**Simon Collins, Founder,  
Gaming Realms**

Artificial intelligence is impacting all sectors of the economy and every business. I believe gaming could be the biggest benefactor of this revolutionary new approach and technological advance.

AlphaGo and other machine learning based projects show how far a machine can go to beat humans with regards to performing repetitive tasks such as learning to play games. Chat moderation and customer services are in the crosshairs for such systems. An on-website chatbot based solution could welcome every single user with bespoke tailored communications, ushering them through to deposit or registration with a human like touch.

The fastest-growing category in software as a service are solutions such as Salesforce which offer superb customer relationship management. This is the main area where we will see Artificial Intelligence offering profound change, ushering in new levels of productivity for employees and empowering companies to drive better experiences and results for their consumers.

The adoption of AI technologies can be an easy add-on to existing applications or even free at the entry level. Applying this new technology to many gaming problems and tasks such as know your client / fraud detection / cross sale / user acquisition / bonuses / e-mail communications / SMS communications / direct mail and voice calls to name but a few will make smaller gaming companies increasingly able to scale quickly and take on their bigger competitors.

*“...this year will also see traditional casinos looking to new verticals, including bingo, to gain a larger share of wallet, make headway in new territories or lower player acquisition cost.”*



**William Conboy,  
Head of Marketing  
Communications, Stickyeyes**

As bingo apps become re-settled in the Google Play store, a wealth of opportunity awaits operators. The quickest innovators will benefit the most, as players

become settled in their chosen gaming environments (bonus hopping will be less prevalent given that it's non browser based) . There's a huge community of app gamers (think Candy Crush and it's endless variations), who are increasingly happy to spend despite the constant interruption of questionable ads. Let's take Candy Crush Saga (the No.1 grossing game) – From Q2 16 to Q2 17, revenue grew from \$146 million to \$216 million!

Whereas many of these iconic games are severely limited in design and functionality, ever improving smartphones offer the technical ability (with the right investment) for bingo operators to raise the stakes and create truly immersive environments focused on the bingo community ideals. Said technology also allows for quicker connectivity, coupled with ease of use. Removing barriers to entry – i.e. forgotten login details – with tech-led innovations – i.e. fingerprint access, will only improve the overall customer experience and resulting performance metrics.

In summary, bingo operators have an opportunity to develop their products into more complex and personalised environments, where the user feels at home and therefore more enticed to return. Ensuring this is fused with a responsible mentality is key to increased app store exposure, therefore taking a bite from the juggernaut traditional game providers.

Whereas voice search is set to send sizeable ripples through many industries, the online bingo world is likely not one of them. From an acquisition perspective, age verification is perhaps the largest barrier to adoption – Alexa, Siri & Co would struggle to distinguish whether the query is coming from an over-18. Beyond that, many of the associated devices (smart speakers, for instance) don't offer the screens required to play what are still very visual-reliant games.

Ensuring your website is optimised to understand request searches, i.e. 'I want to play bingo online', for relevant devices is a key consideration. However, beyond such housekeeping there's little else voice search could offer currently.

# Contacts

This Online Bingo Annual Report is created and published by the team at WhichBingo Ltd which operates and manages the UK's number one, independent online bingo review website [WhichBingo.co.uk](http://www.whichbingo.co.uk).

## About this report

The research and comment featured in this report is based on qualitative and semi-structured industry comment conducted in December 2017 unless otherwise stated within. To request additional copies of this report please visit: <http://www.whichbingo.co.uk/reports/>

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