

Newest Q1 2014 online gambling data report reveals that tough times continue – but also first signs of optimism

London/Munich, 07 April 2014 – A new year is underway, bringing new opportunities as well as challenges. By now most operators have published their financial figures for 2013. Therefore, it's again time for MECN's researchers to publish their new Q1 2014 Online Gambling Quarterly report. This report covers online gambling industry benchmarks, KPIs, and related topics and comes to mixed conclusions in its analysis of the overall state of the industry.

Trend of declining growth rates continues – but a stabilisation on a low level is in sight

The analyses of the financial results of a large number of online gambling operators show that the growth rates of many KPIs and financial figures (e.g., revenue, ...) are still declining:

* In the second half of 2013 the average revenue growth (compared to the year before; across all verticals/segments) was 5%, down from 17% in H1 2013 and from 27% in H1 2012 (compared to the year before).

* The Q4 2013 average revenue growth rate (compared to the year before) was at 2%, down from 5% in Q3 2013.

Nevertheless, when analysing the development of the growth rates of total revenue in recent quarters (compared to the year before), it seems that the growth rates start to stabilise on a low level around 2% to 5%.

Industry climate only „satisfactory“ with no improvements likely in the future

In line with the development of the financial figures, most of the experts surveyed in MECN's panel assess the current business climate as only „satisfactory“ (on a scale ranging from „poor“ to „satisfactory“ to „good“). Martin Oelbermann, co-author of the study, explains further: „It seems that since fall 2013 the business climate assessment has stayed at „satisfactory“ without any major changes -neither for the worse nor for the better“. Additionally, the market insiders surveyed also do not expect the business climate to change over the next 12 months (the survey includes about 70 executives of the online gambling industry, among them many CEOs of key operators).

Mobile makes currently averages 23% of total revenue – but is stagnation ahead?

For more than three years now the online gambling industry has declared the mobile channel its key growth driver. However, although the mobile business is becoming more and more important, Außerdem bieten wir Ihnen einen gratis Bonus Code für unsere Online Casinos an, den Sie an den Spielautomaten in einem Casino Ihrer Wahl einsetzen können, ohne dabei eine Ersteinzahlung vornehmen zu müssen. operators do not (yet) have consistent reporting standards (KPIs) regarding their mobile revenues. In regard to comparable benchmarks two KPIs are currently usable:

* **Mobile total revenue in percent of total revenue** – On average, the operators analysed generate 23% of their total online revenue via mobile channels.

* **Mobile betting stakes/revenues in percent of total betting stakes/revenues** – On average, the operators analysed generate 40% of their total online betting stakes/revenue via mobile channels.

* **Growth trends, stagnation ahead?** – As figures for the mobile channels have only begun to be reported recently, it's

difficult to analyse any growth trends. But it seems that at least for some companies the mobile share has begun to stagnate in recent quarters. Moreover, the year-to-year growth seems to decrease for some operators; nevertheless, growth rates above 100% still put mobile at the top of executive agendas.

No bitcoin hype expected

The online industry in general is currently all about virtual currencies, such as bitcoins, and a few online gambling operators have also started to accept them. But overall the industry experts surveyed seem not to believe in those currencies and estimate their future revenue potential as more or less „very small“.

Winners and losers in the future – significant improvements

The online gambling industry is no longer a sure-fire success with every market player getting a fair share of the market. As mentioned above, times continue to be tough, and the market will see „winners“ and „losers“. But as a sign of optimism in times of rather flat industry expectations, the „average“ estimate of the future development of market share of the operators analysed was significantly higher than in our December 2013 survey.

According to the experts MECN surveyed, Bet365, Paddy Power, and William Hill will likely be among the „winners“. Among the companies for which market share growth estimates improved the most are BwinParty, Lottomatica, and Ladbrokes – [click here to see/enlarge detailed graph](#).

Online Gambling Quarterly – Q1 2014 – Comprehensive quarterly report analysing updated benchmarks, KPIs, trends, ... covering all sectors of the online gambling industry

This quarterly report covers a wide range of topics from key company sectors, such as finance, marketing, strategy, ... Due to this extensive coverage, the report is a must-read for executives and departments of all companies active in the

online gambling market.

This regular report offers unprecedented insights into the industry, including:

- * **Strategic issues** – Strategic topics, such as overall industry climate, trends, forecasts, stock development, ...

- * **Financial benchmarks** – Quarterly and half-year revenue benchmarks, EBIT, and cost benchmarks, ...

- * **Marketing benchmarks** – Social benchmarks, SEO benchmarks, affiliate marketing benchmarks, ...

- * **Product-related topics and benchmarking** – Growth potential for selected products, benchmarking of product offers, ...

- * **Analyses of regions and regulated markets** – Regional analyses, such as the level of internationalization and in-depth coverage of regulated markets, ...

- * In total, the report has ca. 100 pages and ca. 150 graphs/exhibits.

The study can be obtained at www.mecn.net or the report website.