

According to an industry survey, only 30% of mobile gambling revenue is new/additional revenue for operators

London/Munich, July 24, 2014 – For several years now the online gambling industry has declared the mobile channel its key growth driver. But the industry lacks more in-depth information regarding the mobile success story. Especially when it comes to the question of whether mobile revenues are new/additional revenue or „just“ cannibalisation of existing revenue, most operators are keeping rather quiet. Therefore, the researchers at MECN analysed the mobile channel's revenue sources in more detail for the company's current Online Gambling Quarterly Report. Key finding: only 30% of mobile gambling revenue seems to be new/additional revenue for operators.

An important question is whether the new mobile revenue is additional revenue or „just“ cannibalisation of existing revenue from the PC/desktop or the retail channel. So far, published information regarding this key question is strikingly limited. Therefore, MECN addressed this question in more depth in the most recent expert survey for its Online Gambling Quarterly Report – among the experts surveyed are many senior executives of the key online gambling operators.

Mobile is taking it from the PC/desktop business

Asked where mobile gambling revenue comes from, the experts mostly answered that it cannibalises the PC/desktop business (see exhibit below). With smartphones and tablets increasingly taking the place of the PC/desktop, naturally, in gambling the

revenue also migrates from PC/desktop to mobile. In total, 56% of the experts surveyed believe this is a key revenue source of the growing mobile business. Nevertheless, there are likely differences regarding the games to be played – the less important the graphical user experience is, the more players will migrate to the mobile channels.

[Click here for graph.](#)

Increased ARPU through mobile offers follows swiftly as another key revenue source of mobile

The second most often chosen answer to the question about the revenue sources behind the mobile channel's growth is that there is indeed new/additional revenue driven by increased revenue per customer. Some reasons for this are straightforward. For example, live betting is a key revenue part of today's online betting business, and it makes sense that customers want to be able to bet 24/7 everywhere.

Taking it from other operators with less attractive mobile offers

Another relevant revenue stream is coming from customers drawn away from other online operators that have limited or no mobile offers. So yes, this is new business for the operators concerned (with a premium mobile offer), but industry-wide this „new/additional“ mobile revenue seems to be based „solely“ on a migration of customers from „bad“ to „good“ mobile offers – a cannibalisation of the „bad“ mobile offers.

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MECN went even further and asked the experts to quantify the source of mobile gambling revenue: what percentage of the mobile revenue is new/additional revenue and what is cannibalisation of existing revenue? The results were conclusive: The experts believe that nearly 70% of the mobile gambling business is cannibalisation of either the PC/desktop or the retail business. Accordingly, only ca. 30% is

new/additional business for the operators.

Online Gambling Quarterly – Q2 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. 90 pages and ca. 140 graphs/exhibits.

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