

5 steps to launching a market leading sportsbook

Kambi

Sports betting

The key to elevating the entire casino ecosystem

There can be no mistaking the size of the sports betting opportunity for tribal casinos and the scope that its introduction carries to enhance every aspect of the organization's bottom line. Within the pages of this booklet we hope to provide a window into its scale, and how tribes can best position themselves to capitalize ahead of the competition.

The landscape in the US is beginning to take shape, and the tribal community holds the cards to how sports wagering can expand through lobbying efforts and compact negotiations. As sensible regulation allows, the right insight from trusted partners can drive significant revenue enhancements across not just sports betting but the entire property floor.



A bespoke blend of over the counter terminals and self-service kiosks can future-proof growth attracting a broader demographic and drive enhanced margins by boosting the level of engagement not only in sports betting, but across gaming and hospitality as well.

This is especially the case when rolling out sports betting with an accomplished B2B supplier like Kambi. Taking control of your sportsbook ambitions can empower you with a full 360-degree view of the player, letting you see how they interact with every element of the casino floor and providing the platform needed to empower cross-sell.

Harnessing the potential of sports betting with a B2B partner also opens up the potential of online sports betting, with associated enhancements to brand awareness and the bottom line.

5 steps to launching a market leading sportsbook



Step 1

Research the opportunity for sports wagering in your state



Step 2

Explore the sports wagering regulations in your state



Step 3

Decide if B2B or B2C is the best route for you



Step 4

Find and choose the right partner to help you launch a sportsbook



Step 5

Plan your sportsbook launch to optimize opportunity

Step 1

Research the opportunity

Almost five years have passed since the repeal of PASPA, and we now have a clear picture of what sports wagering looks like in the US and what this means for tribal casinos.

Casinos in states which have yet to regulate are losing out across state lines to casinos with a full product offering, with sportsbook the new important addition.

The reward for those with a full product offering has never been greater. Not only does sports betting attract a younger demographic, but this younger patron can spend more time in casino bars and restaurants and will likely bring friends, family and colleagues to enjoy the excitement of the game and the wagering opportunities that come with it.



38.1

Average age of
a sports bettor*

43.6

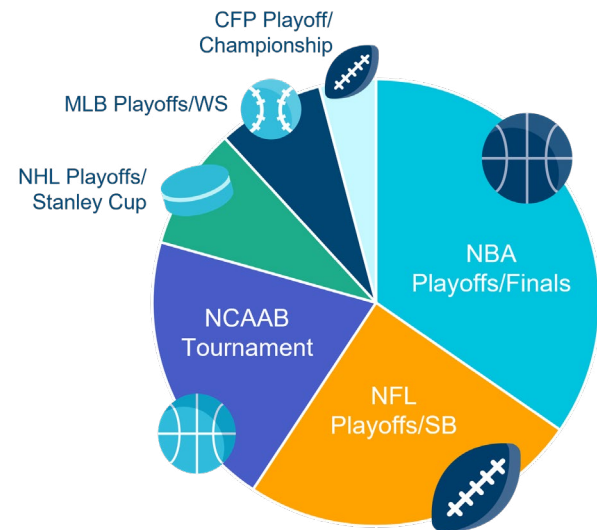
Average age of
a slots player**

*Source: <https://medium.com/modern-business/the-young-demo-of-online-sports-betting-c595f7dcefaa>

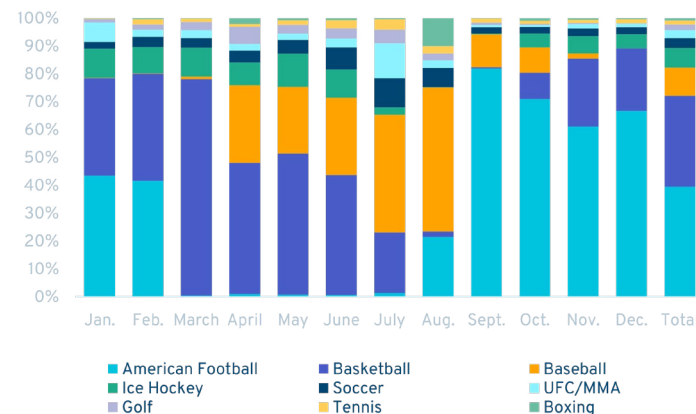
**Source: <https://www.americangaming.org/wp-content/uploads/2022/05/AGA-State-of-the-States-2022.pdf>

Sports wagering can attract a broad demographic, future-proofing the casino footfall for generations

2022 Popularity of Major U.S. Sports tournaments

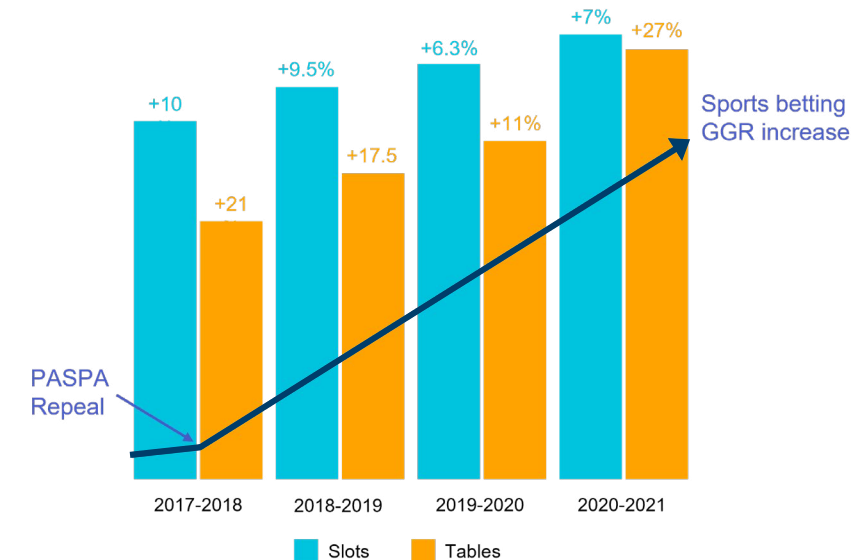


Kambi 2022 customer acquisition by sport in the U.S.



On-property sports wagering boosts slots and table volumes

This data illustrates the positive correlation between the introduction of sports betting and the increase in slots and table revenues for casino.





FIRST EXPLORE:

Entering any new market
poses challenges, and entering
sports betting is no different

The target demographics

The potential size of the sports
betting opportunity

The channel most suitable to
your audience

The cross-sell opportunity between
casino and sportsbook

The regulatory requirements to
launch a sportsbook

Step 2

Sports wagering regulation

Kambi works closely with regulators and sports governing bodies to ensure the integrity of sports betting.

Kambi's commitment and assured approach to regulation and corporate probity limits licensing delays, while our sophisticated and compliant technology ensures unmatched speed-to-market.

This includes step-by-step support with operators to help navigate IGRA as Kambi has done with Seneca Gaming Corporation.

Regulatory Licenses





Kambi's track record

- 1 Does not operate in regions where sports betting is strictly regulated
- 2 Leading Sportsbook Control team maintains robust fraud and anti match-fixing procedures on a 24/7 basis
- 3 Works to protect the integrity of sport by working closely with Sporting federations and International stakeholders

KEY TAKEAWAY

Choose a trusted partner/
Partner probity matters

Where does the sportsbook supplier operate?

Are they active in markets where gambling is prohibited?

Do they have a history of protecting player safety and the integrity of sports?

Do they have a clear and transparent management and ownership structure?

Step 3

Sports betting entry point and going B2B

Selecting a B2B partner for your sports betting offering means leveraging the strength of your brand and taking a full 360-degree view of the player. Seeing how these players intersect can help to drive enhanced margins across the entire casino floor, driving growth in both players engagement and the bottom line.

For those with or seeking to establish a strong online presence, a B2B sportsbook offering under the casino's own brand will also enhance brand loyalty and overall share of wallet.

Engaging a B2B partner with the tools to power a bespoke offering tailored to the casino's brand can be the first step on the road to sports betting success.

Full B2B Partnership Model

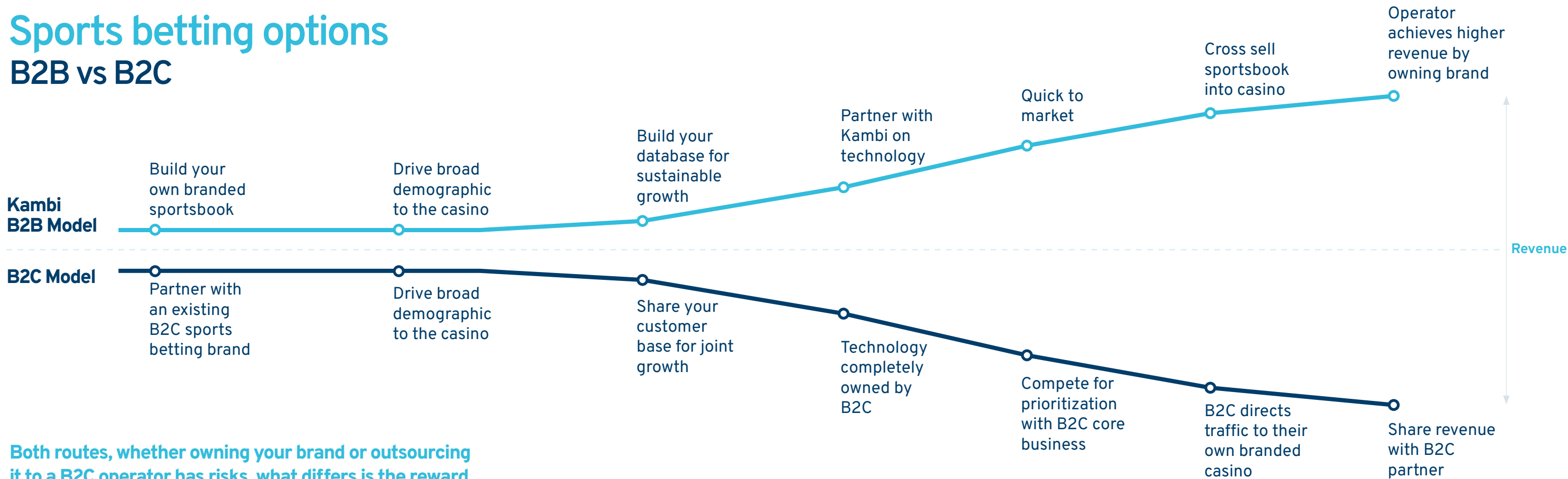
Best option for long-term independence and long-term returns

selection of kambi's tribal partners



Sports betting options

B2B vs B2C





Risk and opportunity

B2B vs B2C

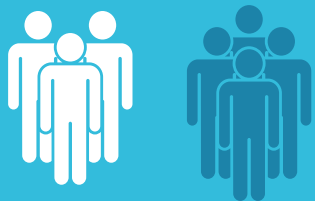


Benefits of B2B

- Brand ownership likely to result in better long term rewards and minimize risk
- Unlike JVs, operators retain full ownership of their customer database and brand – two of their biggest assets
- This is a model that is already proven to work in US market
- Operators get the freedom to bring together technology leaders to power your business instead of being tied to one
- Ability to launch gaming and free-to-play products to build and grow both the database and handle, future proofing the casino
- Ensures operator has full control over high-level strategy to achieve long term sustainable growth

Why own your brand?

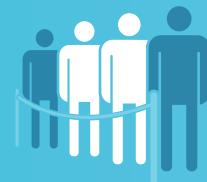
Protecting your biggest asset



Increasingly, B2C operators view sportsbooks as a way to acquire a broad demographic of customers for their online casino, therefore owning your own sportsbook brand allows you to do the same.



In markets where the product is homogenized, like the gaming industry, brand becomes the singular most important asset a casino operator can have, both online and offline.



Cross brand promotion between casino and a B2C sports betting provider forces an increasingly disloyal customer base to choose between two brands.

BRAND RISKS

B2C route is more liable to M&A, your B2C partner today might not be the same partner tomorrow.

Negative brand associations can have lasting implications both from a regulatory and consumer perception standpoint.

KEY TAKEAWAY

B2B or B2C?

Is your customer database and brand a strategic asset?

Where does cross sell traffic get directed?

What are the long term implications of going B2C or B2B to your brand and business?

What are the long term risks associated with the B2C versus B2B route?



Step 4

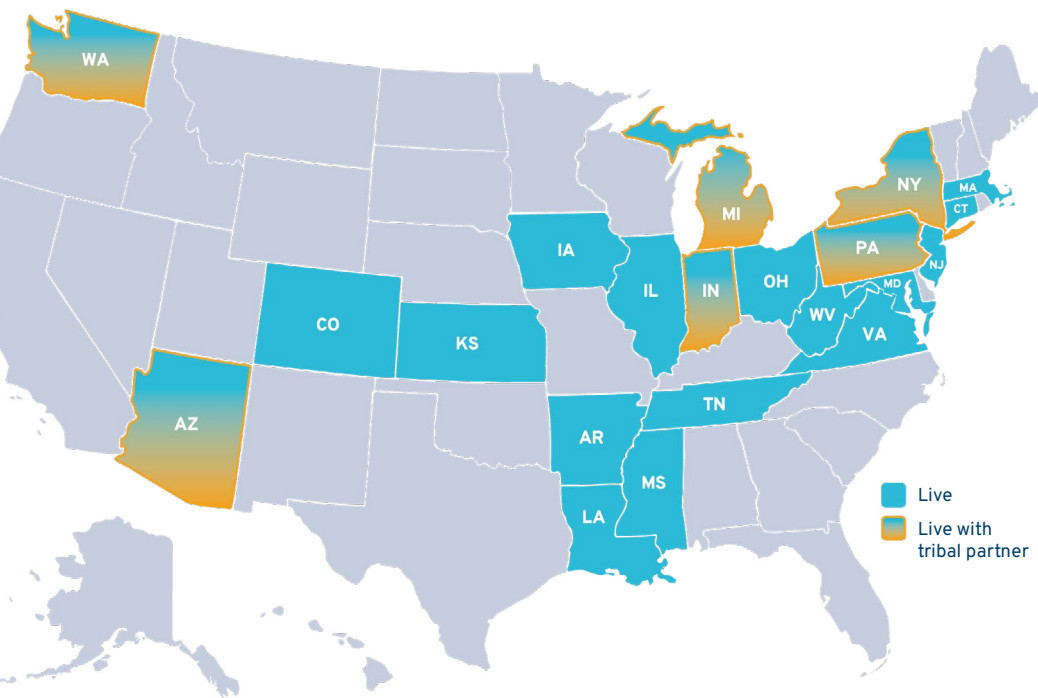
Find the right sportsbook partner

Finding the right fit in terms of technology, culture and ambition is one of the most important decisions a tribe can make in selecting a sportsbook partner. A partner with a proven track record of delivering on-property and online uplift for US and tribal partners is essential.

What the B2B providers in this scenario must prioritise is ensuring that the process is as consultative as possible, building on the individual requirements of each tribal partner and learning what's needed through ongoing dialogue and genuine partnership.

No aspect of a tribal casino's offering is a bolt-on, and for those with trust and confidence in their own brand, sports betting need not be either.

Finding a partner to support your sportsbook ambitions



States with legalized sports wagering see traffic from neighboring states without sports wagering.

As sports bettors cross state lines to place a wager, so does the opportunity to cross sell the slots and tables.

KEY TAKEAWAY

Finding the right partner

Does the sportsbook partner match your ambitions and support your overall strategy?

Do they have the expertise and solutions to help you launch your sportsbook?

Can they show evidence of quality in both online and retail channels?

Can they support your sportsbook growth through managed services?

Do they share your values and philosophy and provide a good culture match?

Step 5

Plan your sportsbook launch to optimize the opportunity

Once the route to market has been chosen, working closely with the sportsbook partner to secure all the necessary regulatory milestones can commence and all go to market planning can be executed. Kambi has a proud track record of delivering market firsts, for example processing the first wagers in New York, and going live on day one in states including Ohio, Arizona, and Colorado.

Selecting a partner capable of driving quick-to-market launches will enable rapid gain of market share. Kambi is focused on delivering the marginal gains which will enable our partners to deliver consistently engaging sports betting experiences for their players.



KEY TAKEAWAY

Planning the launch

Your partner should provide smooth and issue-free integrations

License applications and compliance specifications can be met by all parties

Market positioning and branding strategy must be clear and confident

Your partner is able to deliver to your required timelines

Will help you prepare your on-property sportsbook for launch

About Kambi

Since taking the first legal post-PASPA wager in 2018, Kambi has established itself as the leading independent provider of premium sports betting technology and services to the regulated North American betting and gaming industry.

The trusted partner to more than 40 operators including betPARX, Churchill Downs Incorporated, Great Canadian Entertainment, Mohegan and Rush Street Interactive, Kambi has a track record of proven excellence in online and on-property sportsbook provision, providing operators with the high-performance technology and regulatory certainty required to grow and out-compete the market.

Kambi's core sportsbook encompasses a broad offering, from scalable technology and odds-compiling through to customer intelligence and risk management, delivering a market-leading on-property sportsbook, including the Kambi kiosk, that brings online pace to the retail space.

Trusted partner
to more than
40 operators
including

betPARX

CHURCHILL DOWNS
INCORPORATED

DESERT
DIAMOND
CASINO

FOUR WINDS
CASINOS

GREAT CANADIAN
ENTERTAINMENT

ilani

Mohegan
Gaming &
Entertainment

RUSH STREET
INTERACTIVE

SENECA
RESORTS & CASINOS

SOARING EAGLE
CASINO & RESORT

Founded in 2010, Kambi has spent more than a decade focused exclusively on the sports betting vertical, building a cutting-edge and data-led turnkey product that delivers a superior user experience and provides partners with the freedom to differentiate.

Today, its services not only include an award-winning end-to-end sportsbook but also an increasingly open platform and a range of standalone sports betting services which enable operators to engage and excite players to build market-leading positions.



kambi.com

Kambi