



Playing to Win

In the ever complex world of online gaming and gambling, Betsson is increasing its global footprint and providing an unparalleled customer experience to hundreds of thousands of players worldwide.

Images courtesy of Betsson

Betsson aims to give players the best gaming experience available online. However, as the industry is very dynamic and ever changing, Magnus Silfverberg, CEO and President of the organisation, notes the challenges that come with running one of the Europe's largest and most prestigious online gaming portfolios. "The ongoing re-regulation of the European betting and gaming market is, of course, a big challenge that we all face. This means that we need to adapt the company to a new situation, we need to add more compliance, and we need licences in more locations.

"When I joined, we only had a Malta licence; now we have Malta, Denmark, Italy, Estonia, and within the next few years there will be re-regulation in the UK, the Netherlands, and potentially the other Nordic countries. That is a big challenge and big change, but more importantly, it's a large opportunity for a company like us. Generally, the bigger you are before a regulation, the more likely you are to be a winner in that market. Since we now are a top player in the Nordic market and the Netherlands, we believe we are very well positioned for this change and will probably gain rather than lose from it. So that is a big opportunity.

"And then, of course, there's the growth of the company. When I joined Betsson we were 250 people

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- Magnus Silfverberg

who worked in the company and now we have 1,000 people, and such a growth creates challenges; we need to build a robust organisational structure to manage that change. Adding to that, we have done some successful M&As in the past, where the integration has been, in some cases, quite challenging. However, in hindsight, we came out very well and did a good job on that."

Regulatory changes occurring within the gaming industry are difficult to monitor, as Betsson's portfolio spans across numerous countries in Europe. "We have a strong legal team in-house that follows the developments, and they are advising the group on which markets to enter and not enter into. And then, together with commercial aspects, we make cautious choices whether or not to apply for licence and enter a certain market, which we did in France and Spain, for instance.

"We chose to stay out of those markets because we didn't believe the licensing system was commercially interesting enough, and we know how much it costs to enter a regulated market and to apply for licences. That's how we stay on top of regulation—by making conscious choices, and then having a good legal team to drive the processes and make sure that we get licensed in the countries that we want to get licensed in."

Since its establishment in 1963 (Betsson used to be named Cherry

and ran land-based gaming up until mid 2000), Betsson has expanded through a combination of organic growth and acquisitions. "The organic growth has come from all the brands that we have ourselves or partner with, since we have a B2C and a B2B model. One thing that makes us different from the other companies in the market is the multi-brand strategy that we run. Today we have 23 different brands, of which 13 are B2C and 10 are B2B, and these brands enable us to target different segments in the market.

"I think our multi-brand strategy has been successful, both in terms of covering larger parts of the market, and in terms of enabling us to start up B2B partnerships in markets where we're not very strong ourselves, which we have done in the UK, Portugal, Germany, China and other markets over the last few years. Also, when it comes to M&As, the multi-brand strategy is suitable, since the acquired brands can also strengthen our brand portfolio in some markets. Of the last four acquisitions, three have been Nordic focused and now the last one is Dutch focused. The multi-brand model, with an organisation capable of running multiple brands while integrating the technology into one single platform, has enabled us to acquire brands in different countries in a very efficient way.

"For instance, we believe in keeping the brand so you don't lose the >



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customers, but integrating the technology on our backend, which helps us reap the benefits of those synergies through acquisitions. What you want to do is you want to integrate fast, but you want the customer-facing part to change as little as possible in the beginning. That's something we've learned and a strategy that we've developed. And then you change that gradually over time, rather than changing too much initially. I think that is a key learning of ours."

Magnus sees correlation between his personal values and those of the company. "One value that drives both me and the organisation is passion. For myself, I'm very passionate about this business and doing the work that I'm doing. I think I have a lot of energy that I try infuse into the organisation. And I think that passion is part of the Betsson culture, so that goes hand-in-hand with how I am and how the organisation is.

"Dynamic is also a value that is paired with myself and the organisation. I think that I'm quite flexible and eager to change. I like to drive change and I think the organisation is also, in a similar way, very dynamic and flexible. Betsson has been around for 50 years and has been through a lot of changes, and that has really built the culture of flexibility and dynamics, which matches well with how I am as a person. Another value is fairness and the need to care about the customers. That is something that drives me and is part of the organisation's culture."

While online gaming and gambling means Betsson exists in quite a unique industry sector, Magnus notes that it still comes down to customer service. "When it comes to how we treat customers and the whole customer experience, I think that's also very similar to other industries, especially online companies. You want your

"Betsson Group has been hugely successful in developing its brand portfolio, as well as successfully delivering both b2c and b2b services in a number of markets. Evolution is proud to be Betsson's Live Casino provider for all Group brands." - Jens von Bahr, CEO, Evolution Gaming

"What we can differentiate is the customer experience—having the best kind of mobile solution, the best app for the customer that is really intuitive and user-friendly, that is really easy to make deposits and withdrawals from."

- Magnus Silfverberg



customers to feel well treated when they're online using the site, or when they talk to customer service, or when they make payments. You want a customer experience that is top notch across all these different touch points. We set out to deliver the best customer experience in this industry so I think there are a lot of similarities with how other companies in other industries deliver the customer experience.

"It's a competitive and fragmented market; therefore, delivering the best customer experience can really set you apart. For the customer, he knows that if he bets with one of our competitors he is going to get approximately the same odds, and he'll get the same type of casino games. What we can differentiate is the customer experience—having the best kind of mobile solution, and the best app for the customer that is really intuitive and user-friendly, that is really easy to make deposits and withdrawals from.

"That is the most important feature that the customers ask for, which determines which brand customers use—payment solutions that are easy to use. So we're working hard to deliver the best experience within that. We want to be at the forefront of innovation that might not be available with our competitors, solutions that are unique and have better usability."

Betsson works closely with its suppliers to ensure the best possible service and customer experience. "We have two types of suppliers. One is the gaming suppliers that actually deliver the games, which is Net Entertainment, Evolution,

Microgaming, and similar companies, and they provide an essential part of the experience to the customers. So there needs to be extremely close interlinks between us and our partners. We use a lot of different partners in order to pick out the best games that are out there in the market. We also do detailed preparation with them to build exclusive games for us so that we can give our customers a differentiated experience.

"The other type of suppliers are things like our IT infrastructure, advisers, and so forth, which are also crucial to running our business. We work closely with them, more on the level of making sure that the system never goes down and that it's always available to the end user."

Betsson is making tracks internationally as the company continues monitoring the regulatory environment in which it operates. "Now we've made the acquisition in the Netherlands, so now we will be one of the top two operators in the Netherlands, which will be a key market. So far, we've been very focused on the Nordic, but now we have another core market which will be very important for Betsson's future growth.

"We are, of course, looking into other markets that are about to re-regulate or that we believe are interesting, where we can go in with either partnerships, or acquisitions, or our own brands. We will add more markets to our corporate portfolio in the future and we have the outspoken goal to grow more than the market in our core markets, which means we will be a more prosperous company in the future." •