



Social Casino Postmortems

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GAME DEVELOPERS CONFERENCE®
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Background

- FlowPlay is the creator of Vegas World
 - Social Casino MMO
 - Launched November 2012
 - 65 Floor Hotel, Night Club, Pool, Lounge, Chapel
 - 50 Slots, Blackjack, Poker, Bingo, Video Poker, etc.
 - Runs across Browsers (Flash) and Tablets (Air)
 - \$.50/DAU
 - \$3.00/MAU



Why Sports?

- Every Casino has a Sportsbook!
- Desire to diversify the audience
- Sports is lucrative market
- Overlap in poker players and fantasy sports



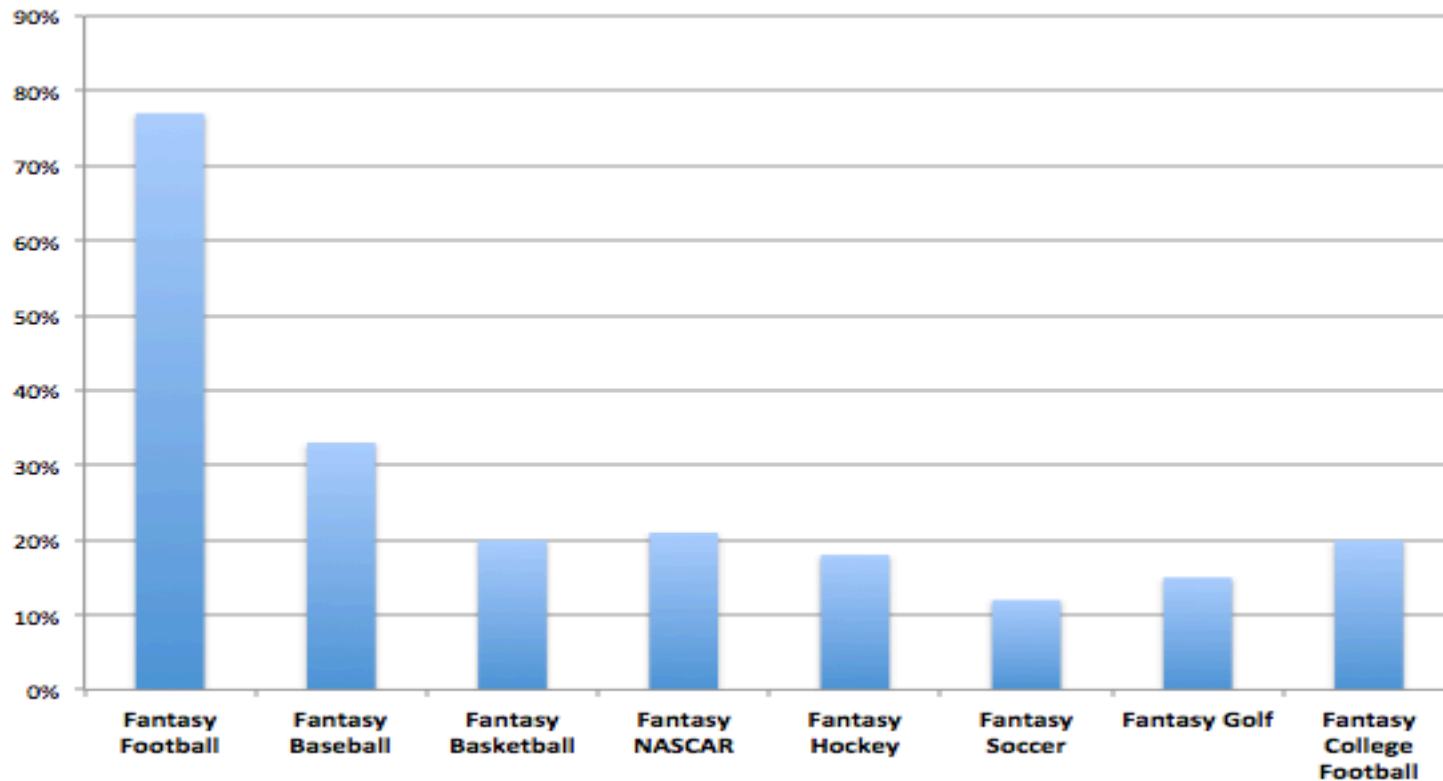
Comparison Stats

	US Fantasy Sports	US Social Casino
2014 Audience	41.5 million	85 million
2014 Revenue	\$4.6 Billion	\$1.4 Billion
2014 ARPU	\$110 per player	\$16 per player
2014 ARPPU	\$220	\$800
Paying/Free	49%	1.62%

Sources: FSTA.org, SuperData Research



What Do They Play?

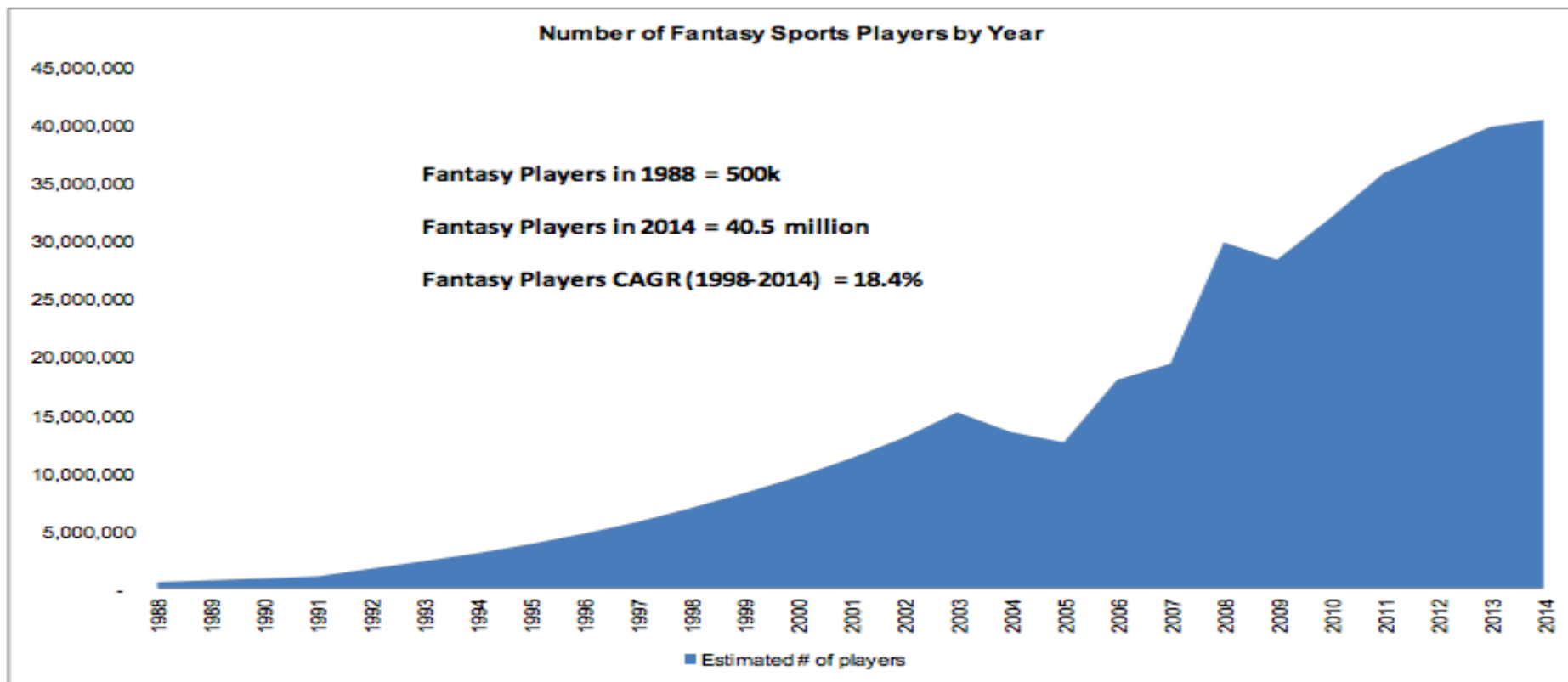




What Else Do They Play?

- 37% more likely to play video games in general
- 50% more likely to play mobile games
- 50% more likely to own a console
- Twice as likely to own an Xbox

Source: FSTA.org



Source: FSTA, Eilers Research, LLC



Why Should Devs Care?

- This is a market that is ripe for more innovation
- Daily Fantasy is the first new thing to come along in 20 years and it's not the answer
- The dominant players are dinosaurs – ESPN.com, CBS Sports, Yahoo! Sports
- There's no breakout sports social game
 - Top social sports games are virtual team managers
- Investors are laser-focused on the space and ready to invest



SportsBook -- Manual Start

- Moneyline/American Odds format
 - Betting the outcome with no point spread
 - -225/+128; Favorite -- Pay 225 to win 100 or Underdog -- pay 100 to win 128
- Scraping data from popular odds sites
- Intern manually inputting games and odds
- Inputting results after events were over





MENU Vegas Bet Zone Digmania Level 36 7,647,030,994 27,120 Settings

Sport Bets

All Sport Bets ▼

Event Start Time (Pacific)

Heat at Magic: Who will win? Orlando Magic (-101) Miami Heat (-139)	2/25/2015 16:00
Knicks at Celtics: Who will win? Boston Celtics (-600) New York Knicks (+343)	2/25/2015 16:30
Flames at Devils: Who will win? New Jersey Devils (-130) Calgary Flames (-105)	2/25/2015 16:30
Clippers at Rockets: Who will win? Houston Rockets (-126) Los Angeles Clippers (-110)	2/25/2015 17:00
Nets at Pelicans: Who will win? New Orleans Pelicans (+104) Brooklyn Nets (-146)	2/25/2015 17:00
76ers at Bucks: Who will win? Milwaukee Bucks (-440) Philadelphia 76ers (+273)	2/25/2015 17:00
Hornets at Bulls: Who will win? Chicago Bulls (-306) Charlotte Hornets (+204)	2/25/2015 17:00



Implementation Notes

- Odds from Data Provider just the starting point
- Dynamically adjusting odds as players post bets
 - Not an exact science as you have to find the new norm without wild swings
- Goal is to maintain a 5% rake in our own environment



Issues

- 30 Days in we were seeing problems
- Several times wrong results were input
- Many customers had to be issued credits
- Cluster&*\$#



Getting a Data Feed

- Working with top data provider - SportsData
 - Games, Odds, and Results all dynamically fed
- 2 weeks of integration work
- Not as cheap as an Intern but more reliable
- Much Greater Flexibility & Scale
 - NFL, NBA, NHL, NCAA, MLB, Premier League Football & NASCAR
- Still using an intern for Elections, Oscars and other one offs



Player Response Results

- Launched September 3rd
- 2,335 Unique Bet Events Scheduled
- 1,036,933 Bets Placed
- 55,142 Players – about 5% of unique players during the period
- 63% Male bettors even though audience is 65% Female

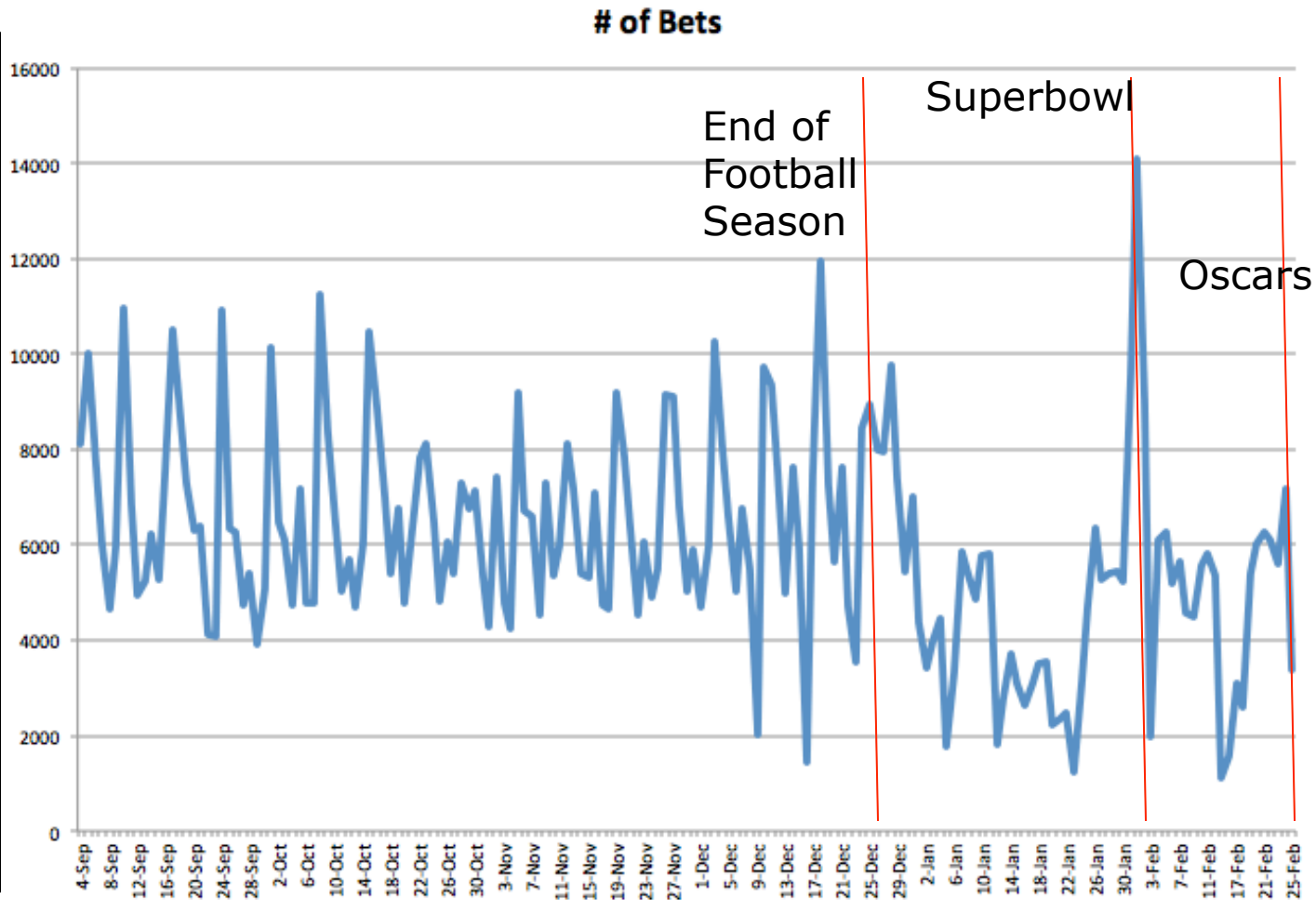


Highly Cyclical

Super Bowl #1
Event

Oscars less
popular than
Football

NBA, NHL &
Premier League
less popular than
NFL





80/20 Rule?

- Top 10 most popular events made up 9% of all bets placed
- Most active 4% of Bettors posted 20% of Bets
 - “Mr Luciano” placed almost 10,000 Bets
- Oscars ranked well as an event

Top 10 Events

Seahawks v Patriots

Patriots v Colts

Seahawks v Packers

Patriots v Raiders

Patriots v Ravens

Seahawks v Redskins

Oscars

Lions v Cowboys

Seahawks v Panthers

Packers v Cowboys



Trends

- Players bet the favorite 70.1% of the time
- Although we move the odds with activity, it's difficult to maintain a steady rake



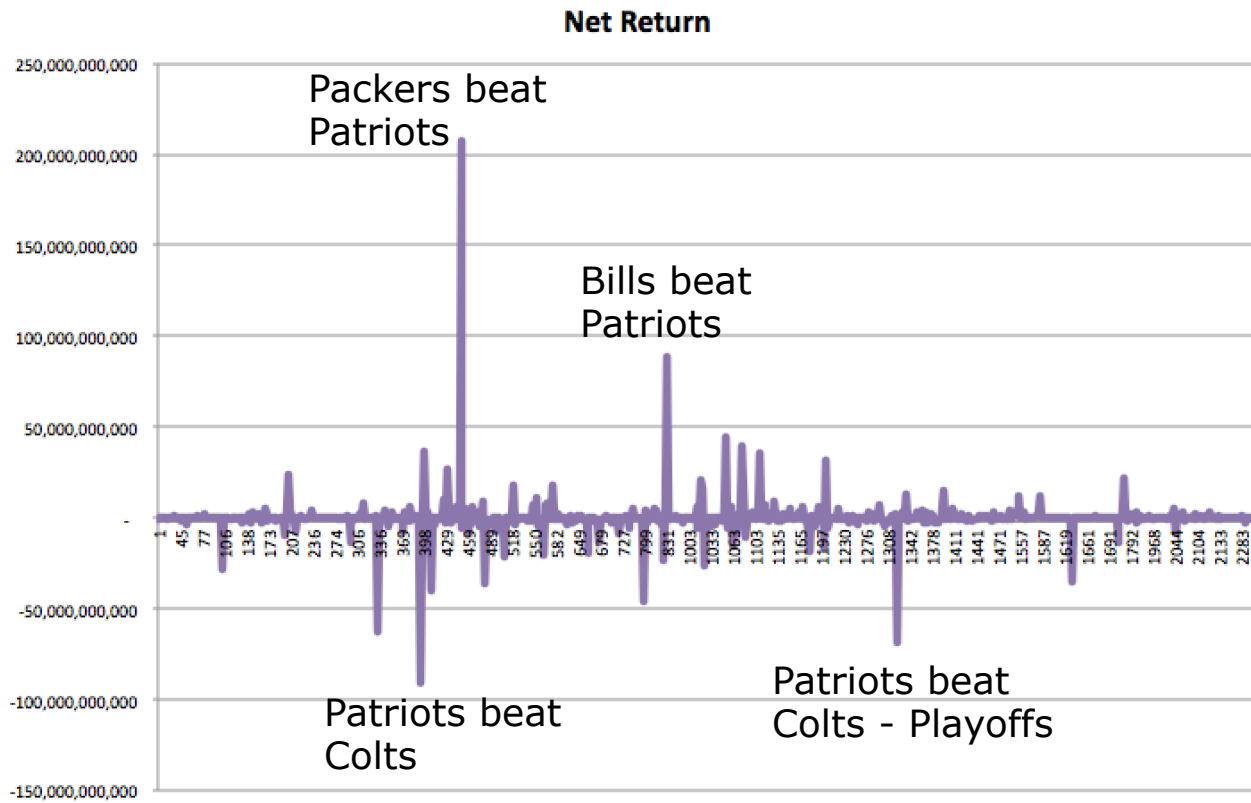
Ups and Downs of Being a Bookie

Patriot losses were good for us!

But their wins hurt almost as much

We could only maintain a 2% Rake

Players bet the favorite 70.1% of the time





Financial Impact

- Total \$ Value of Currency wagered – \$2,091,269
- Average overall Rake – ~3%
- True Revenue Generated \$59,893
- Less than 1% of Revenue during the period



Learnings

- Moneyline is risky in Football and Basketball
- Some outcomes are such sure bets, no one will bet the underdog
- Fun Feature for our Players but not a money maker
- Not enough velocity to be interesting
- Need to increase the number of events by 100x



What We'd Do Differently

- Skip Manual Process
- Add Spread Bets for US Football
- Better Reingagement tools
 - Pings when new bets are available
 - Pings when bets are resolved
- Add realtime bets – 1,000 events/day



What's Next?

Building the 1st Fantasy Sports MMO!



Research Tools

Several of the statistics and info in this presentation come from

SuperData

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The Fantasy Sports Trade Association

www.FSTA.org

Eilers Research

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