

MONITORING UNLICENSED GAMBLING

A WEB TRAFFIC ANALYSIS OF UNLICENSED GAMBLING IN SWEDEN

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TRACKING OF THE UNLICENSED GAMBLING SINCE 2019

The deregulation of the gambling market in 2019 aimed to address the low channelization; simply put, the percentage of gambling activity that takes place within the framework of the regulated system.

The state had a goal of a channelization rate of 90 percent, and whether we in Sweden are close to or far from that goal is often discussed.

ATG has developed a tracking tool, with which it is possible to follow the traffic to unlicensed gambling sites from 2019 and onwards.



AGENDA

- Methodology
- Our findings
- Impact



WEB TRAFFIC ANALYSIS AS A METHOD

- Estimating web traffic volumes to unlicensed websites, as well as to licensed
- Using third-party tools for estimation
- Adding data sources to estimate channelization
- Combining with other insights to highlight drivers behind trends



ADVANTAGES COMPARED TO ALTERNATIVE METHODS

This method allows for:

- Monitoring over time, also back data
- Granularity of data, down to specific websites
- Cost-effective and realistic to do continuously

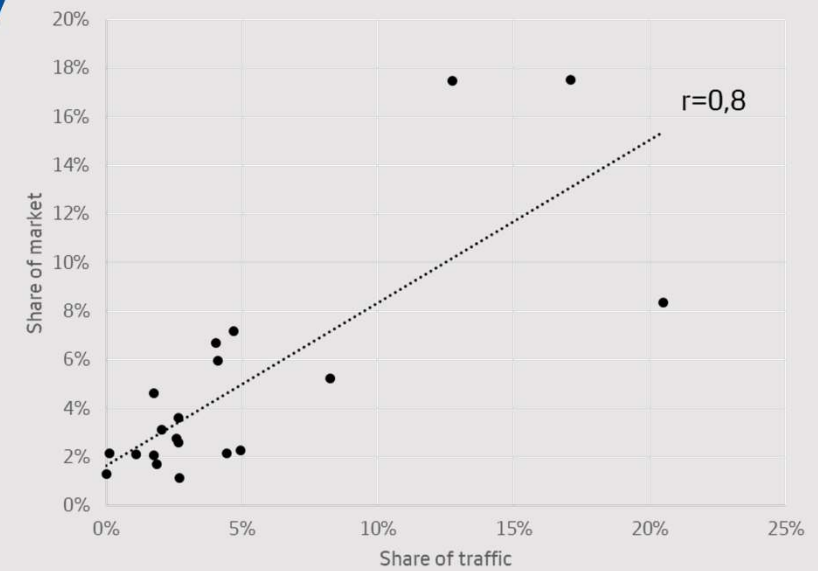


VALIDATING THE TRAFFIC DATA

Validating estimated traffic data is of highest concern

- Validating it against our own (known) traffic
- Validating it against license market data

Share of traffic vs share of market 2022 within reference group (see previous slide)



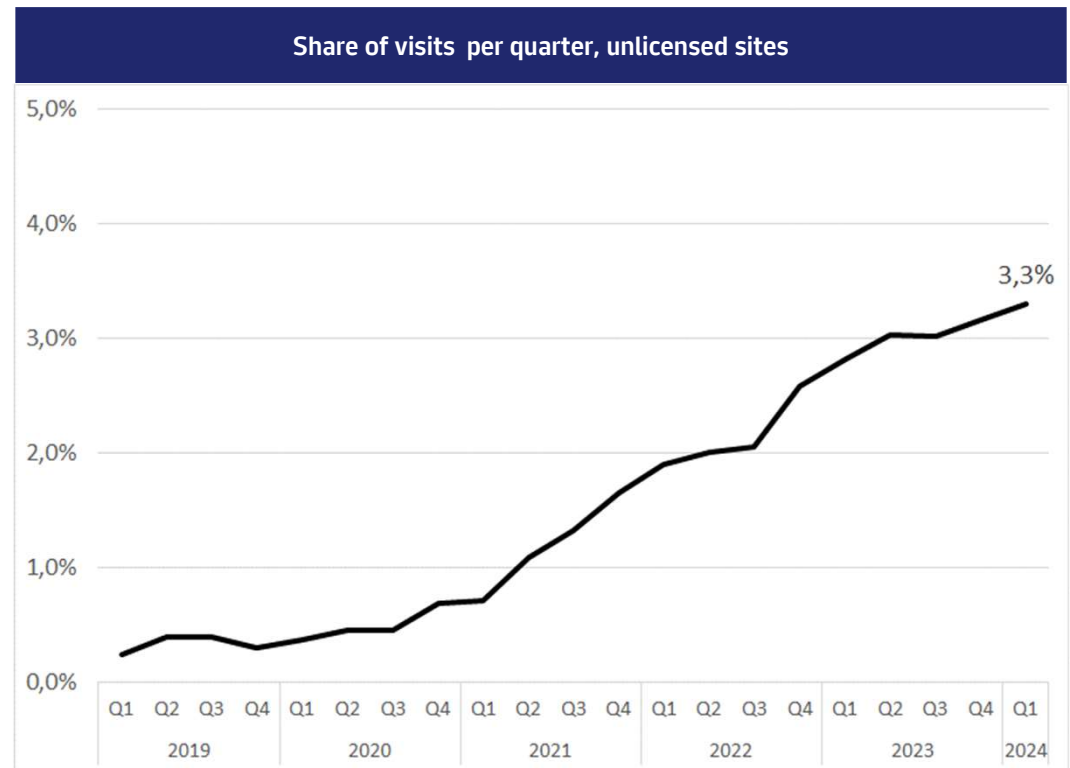
OUR FINDINGS

- [Web traffic](#)
- Drivers
- Channelization



SHARE OF VISITS OVER TIME - UNLICENSED SITES

- The number of visits per quarter has consistently increased over time
- Notably taking off during the temporary covid casino regulation in the Swedish market (July 2020 - November 2021).



20 MOST VISITED UNLICENSED SITES Q1 2024

- 18 out of 20 unlicensed sites offered games from leading game providers.
- 7 out of 20 unlicensed sites offered direct deposits and withdrawals from Swedish bank accounts with BankID.
- None of the 20 sites identified were on the Swedish Gambling Authority's prohibition list.

	Website	Operator	Traffic Q1 2024
1	unlimitcasino.com	Infiniza Limited	121 211
2	refuelcasino.com	Infiniza Limited	97 862
3	Justspin.com	BP Group Ltd	57 871
4	gg.bet	River Entertainment B.V.	53 752
5	quick.bet	North Point Management Ltd	50 340
6	goldroll.com	Infiniza Limited	41 262
7	casinofriday.com	1Up Entertainment B.V.	40 582
8	platincasino.com	Latiform B.V.	39 806
9	luckyjungle.com	Infiniza Limited	37 304
10	gemler.com	Infiniza Limited	30 174
11	winnerz.com	Hitz Gaming OÜ	30 048
12	payoutz.com	North Point Management Ltd	28 841
13	Mozzartbet.com	Mozzart D.O.O	20 553
14	schnellwetten.com	North Point Management Ltd	16 905
15	heycasino.com	Damagi Marketing Solutions LTD	15 303
16	Spinero.com	Infiniza Limited	15 144
17	slotable.com	Infiniza Limited	14 446
18	twin.com	Moonlite N.V.	14 100
19	lightningcasino.io	North Point Management Ltd	13 618
20	LVbet.com	Fairload Ltd	12 594

- The list is based on the top 20 unlicensed gaming companies with the highest measured visitor traffic in Q1 2024.

OUR FINDINGS

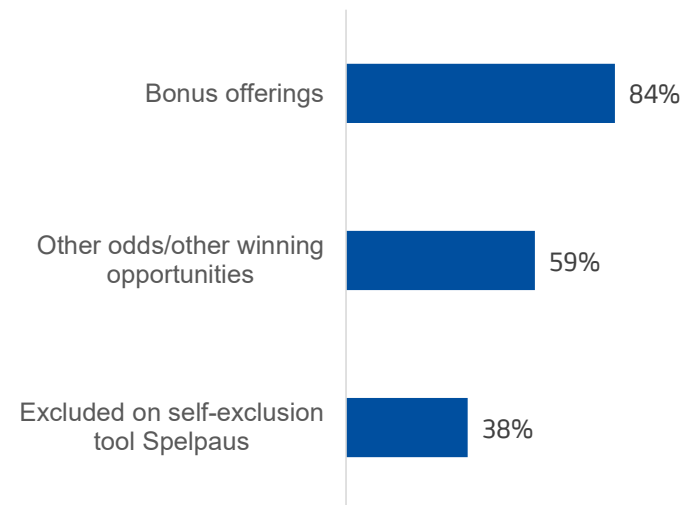
- Web traffic
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REASONS FOR GAMBLING ON UNLICENSED SITES

- Bonus and other winning opportunities top reasons for gambling on unlicensed site.
- 38% say to have excluded themselves from all gambling in Sweden, effective on the licensed market.

For what reasons have you gambled on sites without a Swedish license?

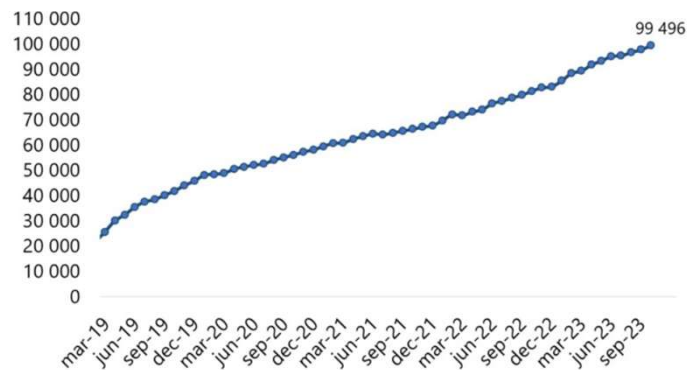


Source: Swedish Gambling Authority, survey report 'Gambling habits online 2023'. Graph shows the sum of two questions: "What is your main reason for gambling on a site without a Swedish license" and "For what other reasons have you gambled on a site without a Swedish license."

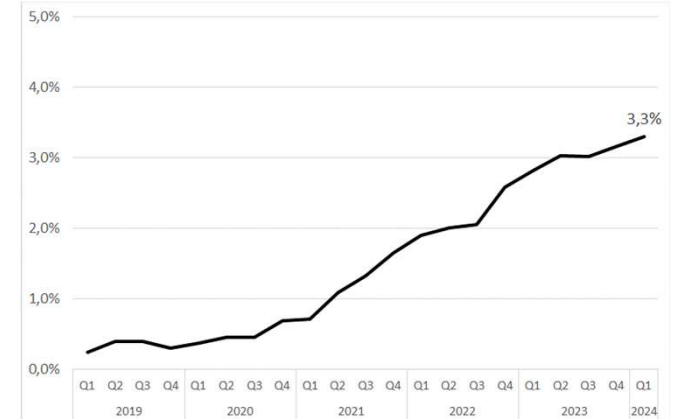
SELF-EXCLUSION COULD PUT PROBLEM GAMBLERS AT RISK RATHER THAN SAFETY

- Unlicensed sites are practically using self-excluded people as a recruitment base.

Number of people in Sweden being self-excluded on 'Spelpaus'



Share of visits per quarter, unlicensed sites



OUR FINDINGS

- Web traffic
- Drivers
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AVERAGE REVENUE PER VISIT (ARPV)

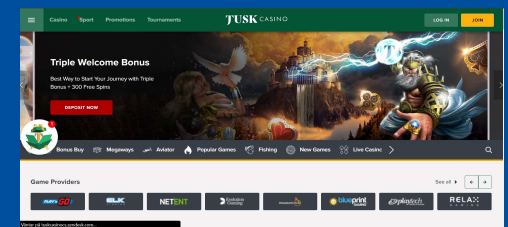
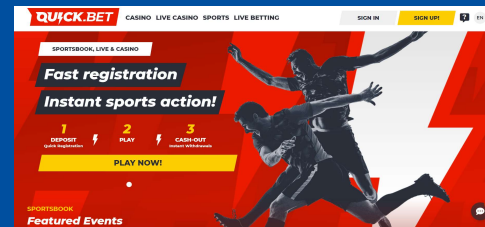
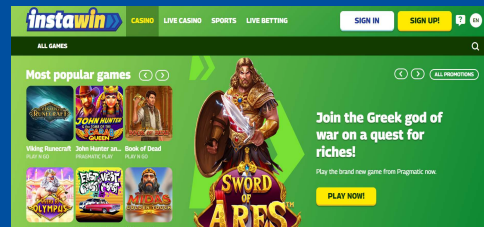
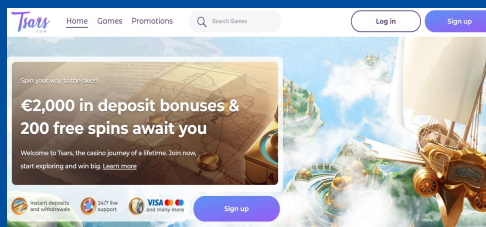
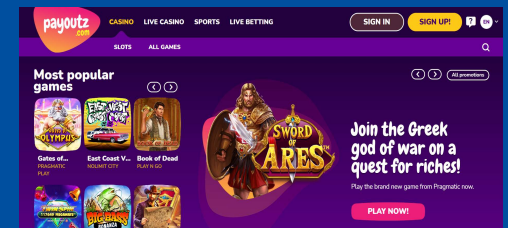
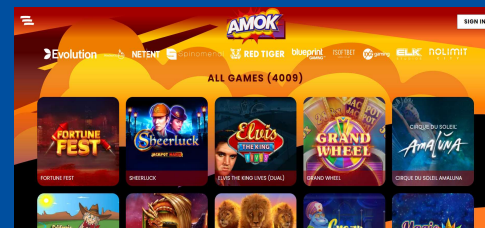
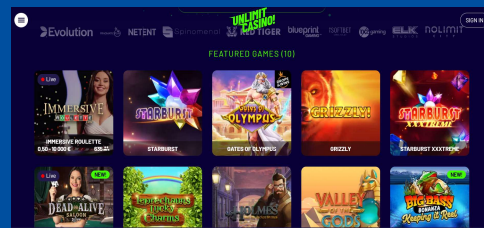
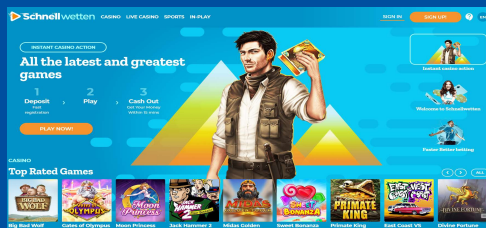
***Customer groups – self
excluded and bonus
hunters***

It is reasonable to assume
that ARPV of unlicensed
sites is 10-20 times higher
among unlicensed sites than
licensed.

***Revealing top ranking
lists***

UNLICENSED SITES PRIMARILY OFFERS CASINO

- The unlicensed sites primarily have a casino focus, but there are a few betting profiled sites.



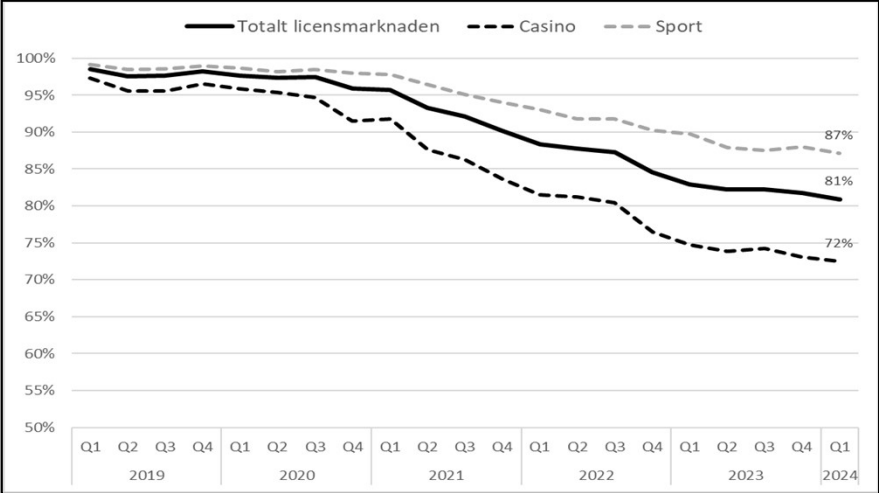
- Going through the offering and profiles of the top unlicensed sites we estimate that 80-90% of their GGR is casino (and the rest sportsbetting).

CHANNELIZATION 2019-Q1 2024

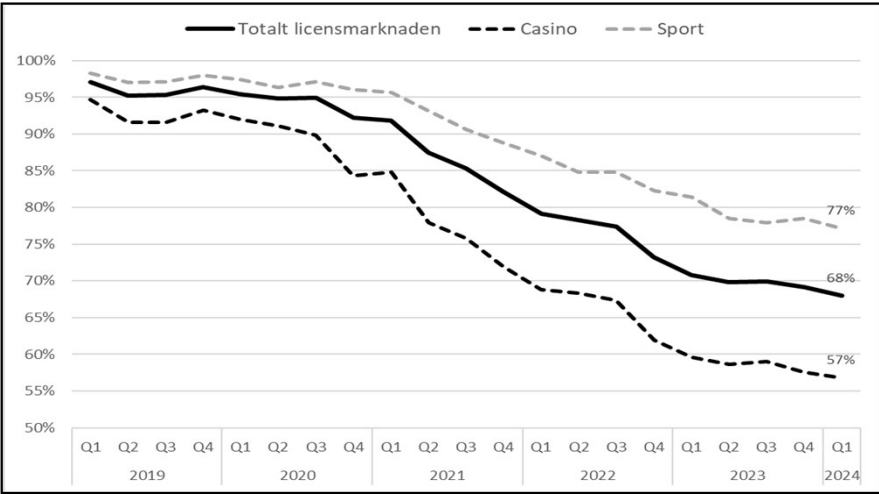
Note

- The channelization in Q1 was estimated to be between 68-81 percent. For online-casino, the channelization is significantly lower.
- The long-term trend is that the channelization is decreasing.

Channelization for sports, casino, and the total licensed market (assuming that ARPV is 10 times higher at unlicensed companies).



Channelization for sports, casino, and the total licensed market (assuming that ARPV is 20 times higher at unlicensed companies).



- In the total licensed market, betting on horses is also included. For betting on horses, the assessment is made that the channelization is close to 100%.
- ARPV = Average Revenue Per Visit

OUR FINDINGS IN SUMMARY

- Web traffic analysis and tracking has proven to be a useful tool to monitor unlicensed gambling
- It reveals channelization is far below the targeted
- It has revealed a trend of increased unlicensed gambling in Sweden, with very disturbing underlying drivers and consequences



THE IMPACT



A DOOR OPENER AND A GAME-CHANGER FOR IMPACT



Political impact

- Invitations to present results to politicians and administration
- Change in political guidelines towards unlicensed market
- Gambling Authority looking to set up their own tool



Business impact

- Investors make payment providers withdraw from unlicensed market

Media impact

- Quarterly press releases bring renewed attention
- Coverage in leading media
- Financial institutions and game suppliers held responsible
- Media are now describing the problem of the unlicensed market rather than referring to a 'gambling market problem'
- ATG leadership



LEARNINGS

- Contributing with facts and knowledge
- Speaking beyond self-interest
- Pointing to solutions



THANK YOU!

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