

# IS THE US PLAYER ACQUISITION STRATEGY DESTINED FOR FAILURE?

HAVING WITNESSED THE HAZARDS OF HEAVY PLAYER ACQUISITION SPENDING IN EUROPE, GRECO CEO OZRIC VONDERVELDEN AND COO ED DICKERSON EXAMINED ITS CORRELATIONS TO THE CULTIVATION OF BONUS ABUSE AND PLAYER DISLOYALTY IN THE US TODAY.

*Ozric Vondervelden - CEO, Greco & Ed Dickerson - COO, Greco*

Greco CEO Ozric Vondervelden and COO Ed Dickerson, both noted experts on bonus abuse - the profitable strategies bettors can use to optimise promotional offer value - tackled the question of whether the player acquisition strategies adopted by US operators are destined to fail.

Vondervelden began by revealing that the amount of money an individual player in New Jersey can take from operator acquisition offers is \$18,575. This sum can be

achieved by taking advantage of offers across 36 casino and sports betting operators within their terms and conditions, does not require any sophisticated strategies, and can be achieved "in about a week"

He explained that in the UK market, bonus abuse is usually very sophisticated, utilising tactics such as cash splashing, undermining consumption orders or undermining the bonus engine logic itself.

While it has not yet reached the same level in the US, the CEO noted that the situation is changing as players become more knowledgeable about how to exploit offers.

Vondervelden said: "We're seeing that the level of sophistication in the US is growing as many of these issues are there. It's just that players need to develop their level of sophistication in order to exploit them. We're seeing that grow in the forums.



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“The reason for that is because many of the platforms used in the US at the moment are old European platforms, which means they are very prone to a lot of these issues.”

Dickerson delved into how bonus offers in the UK differ drastically from those available in the US as, even with a total of 148 welcome offers being available, only £2,400 (\$3,000) can be taken because of the low value of the offers.

He explained that the lower values were due to the UK being “the most advanced jurisdiction where bonus abuse is so problematic.” The bonus abuse communities in the country have been learning their trade for over a decade and are “very sophisticated” with their strategies, including sharing information on forums.

The COO added that the reason bonus abuse has grown so much in the UK is due to publicity in the mainstream media “educating the public on how to make more cash”; together with the practices of multi-accounting and syndicates.

“We’ve identified that, in the UK, there are over a million accounts that are used for the purpose of bonus abuse. To put that into context, that’s over 1.5 per cent of the population,” he noted.

Dickerson also revealed that betting exchanges and, in particular, the practice of matched betting, have contributed to the rise of bonus abuse in the UK. Such strategies actually help betting exchanges by providing liquidity, and some exchanges offer encouragement to bonus abuse communities in the form of zero per cent commission promotions.

From what Greco has observed, Vondervelden believes the US is following the same path as the UK, as bonus abuse processes are being learned far quicker and the information is being shared faster.

Dickerson noted that, in terms of the recruitment processes, people are using the same approaches as pyramid schemes to build networks for bonus abuse.

Referencing the previous New Jersey bonus figure of \$18,575, the COO said: “If you recruit 100 people, you can, in a very short space of time just by going through the welcome offers, make \$1.8 million.

“I think that really speaks volumes about how wide open the US is, how encouraging it is for not only individuals but for people to start recruiting and to start making syndicates.”

Dickerson reflected on how bonuses in the UK come with a whole list of terms that must be met before bonus funds are turned into cash. As a result, the consumer doesn’t really know the cash value of the bonus and effectively, due to the lengthy process, there is a perception that bonuses can’t be won.

In contrast, bonuses in the US have very few terms that need to be met for that bonus to be turned into cash, he said, making it “significantly different” from the UK. Looking ahead, Dickerson believes that, as the US market settles and operators look more towards retention than acquisition, future bonuses will have more terms attached to them.

“Looking forward to where the US is going, they’re acquiring very heavily at the moment. There will come a point in different jurisdictions where it becomes fully saturated, where the US has the required bulk [of customers], the speed at which they will acquire will reduce,” he said.

“They will start to look inwards, they will start to focus more on retention, and start to focus more on the value of those players. If I was to go forward maybe five years, in the US, I’m very confident to say that the wagering requirements and terms and conditions of bonuses will be considerably higher.” ■