



fold,
call,
raise,





action?

what's in the cards for 2008

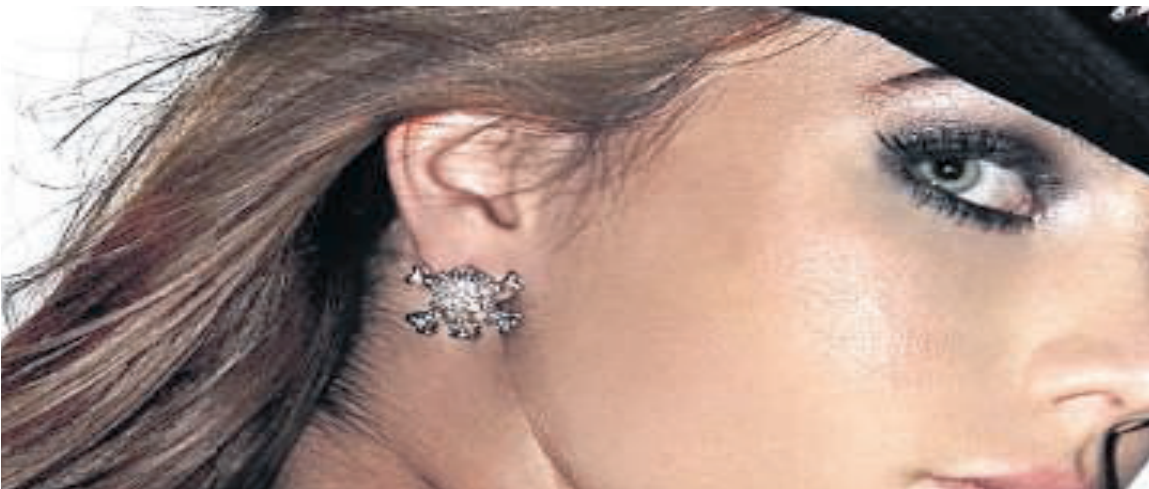
“Poker is one of the only sports where a woman can compete on a totally equal footing with a man.”





CONTENT:

1. Our Cards
2. Zeitgeist
3. Ambition
4. How To





Our Cards:

analysis is the key

where are we?

who are we?

what works?

1. refresh stats
2. s.w.o.t.



1. refresh stats:

About the players:

(separate by brand)

- male/female % split (*if less than 5-10% female players, no need for further segmentation. If more, then probably worth creating separate set of stats for female players*)
- total number of active players per brand (free play and real play, in last four weeks)
- location of players: Europe/US/Australia/Rest of World
- age grouping, as follows:

age group per brand	number of players	% of total
18-21	xx	xx
21-25	xx	xx
26-30	xx	xx
31-35	xx	xx
36-40	xx	xx
41-59	xx	xx
50-59	xx	xx
60+	xx	xx

By age group and by brand:

- average first deposit
- average total deposit
- average monthly poker revenue
- average lifetime poker revenue
- game play preference: ring game v tournament % split
- active time with brand



1. refresh stats:

About the business:

(separate by brand)

- what are our most popular ring game types?
- what are our most popular tournaments?
- what is the optimum tournament buy-in value?
- what are the most profitable ring games?
- what are the most profitable tournament types?
- what is the most active time of day?
- what is the most active day of the week?

- what promotions have worked?
- what promotion had the best cost to return ratio
- at what point does the BBJ value create a significant increase in player volume?
- what is the optimum reload bonus?

also review all blackjack stats



2. s.w.o.t.

Absolute Poker

Strengths

- US facing
- Vibrant, inclusive, personality
- FUN! – Gizmos - Bad Beat – FAME
- Non threatening – anyone can play
- Privately owned – can take risks
- Scandal – security #1
- More liquidity - CEREUS
- Fastest payouts online
- Talented staff
- In-house development team
- Card people
- Brand is gaining momentum
- Transparent: post scandal
- No pros
- Lively promos

Opportunities

- Reputation can only get better
- Integrity – set the new standard: once bitten twice shy
- In house resources to develop bespoke products
- The US market
- Blackjack
- Competition lacking ideas
- Huge sectors of marketplace untapped/not catered for: women/gay/Asia/elderly
- No pros

Weaknesses

- Scandal
- Still a lack of player volume compared to main competitors
- Critically damaged reputation
- US facing
- No pros

Threats

- Deep pocket competition
- Impossible to compete on value
- More innovative marketing from rivals
- Ongoing smear campaigns



2. s.w.o.t.

UltimateBet

Strengths

- US facing
- cool look and feel
- The world's #1 male and female Pros: Hellmuth and Duke
- loyal base
- Privately owned – can take risks
- Scandal – security #1
- More liquidity - CEREUS
- Fastest payouts online
- Talented staff
- In-house development team
- ARUBA
- Transparent: post scandal
- lots of promos/offers/action

Opportunities

- Reputation can only get better
- Integrity – set the new standard: once bitten twice shy
- In house resources to develop bespoke products
- The US market
- Blackjack
- Competition lacks ideas
- Huge sectors of marketplace untapped/not catered for: women/gay/Asia/elderly
- Phil and Annie should be exploited more

Weaknesses

- Scandal
- Still a lack of player volume compared to main competitors
- Critically damaged reputation
- Brand a little stale
- Website needs overhaul

Threats

- Deep pocket competition
- Impossible to compete on value
- More innovative marketing from rivals
- Ongoing smear campaign





Zeitgeist:

what the f*ck is going on out there?

analysis = illumination

1. the marketplace
2. the competition
3. the buzz: press, PR, forums



1. the marketplace

MARKET RESEARCH: Do we receive **MINTEL** reports or any other market research data? It would be useful.

AFFILIATES: who are our most successful affiliates and what marketing techniques/partners are they using. Can we engage?

This is not about specific poker competitors but about the gambling marketplace as a whole.

- *What are people gambling their money on?*
- *Where are the rising markets?*
- *Where are the saturated markets?*
- *What jurisdictions are opening and closing?*
- *What is the latest worldwide legal positioning with regard to gaming?*
- *How much TV/media is devoted to gambling?*
- *How could the crunch affect gaming behaviour?*

The 'marketplace' looks at where every gambling dollar is spent

All this market data can help influence the decisions we take as a business

A cost effective way to acquire business could be to target a new territory



2. the competition

WE COMPARE well against the competition as far as features/client goes but our reputation is still damaged, and we do not have the deep pockets of TiltStars.

Their integrity is reinforced by their high cost advertising and depth of sponsorship. (\$1,000,000+ for Stars TV spots)

They also kill us with massive guaranteed tournaments and player volume.

They are not based in Costa Rica.

- *What recent developments have our competitors made?*
- *Are they targeting specific markets/players/demographics?*
- *Who is the typical TiltStars customer?*
- *What promotions do they continually repeat?*
- *Where do they appear to spend the most marketing dollar?*
- *Where and how can we compete*

IMO, Tilt and Stars have both been flat-lining a little in the past year.

I suspect something big could be around the corner for both of our competitors.

More detailed CA should be undertaken. Once again, this will help influence future marketing decisions



3. the buzz: press and pr:

Not all publicity is good publicity

Clearly, it's been a blue riband year for press coverage but a wooden spoon for content.



Ambition: **talking points...**

goals



1. discussion
2. action



1. discussion:

Pros and Joes - two brands or one?

There is still clear blue water between the brands. This is an opportunity for us to experiment with our marketing mix and target untapped demographics – specifically women.

We have a pro orientated UB and a Joe orientated AP. We are not constrained to one message.

Scandalicious

It's finally time to turn the scandal around and use it to our advantage.

*Invite industry hacks to come and visit. Pay for the junkets.
Welcome scrutiny. Highlight our superfast payment processing.
Promise a bonus, if we don't deliver the dollars on time.*

*Everything is already on the record. We have to move on. Why not start to question the competition? Subject **them** to scrutiny? Do they pay as fast? How secure are their systems? We KNOW ours is secure because we have been corn-holed by everyone.*



Go go GIZMO, big up the Bad Beat

Aruba taught me one thing: the **players LOVE little rewards** and they get hard for the BAD BEAT JACKPOT.

We cannot compete on big guaranteed games. However, the GIZMOS are very popular because they feel free. The Bad Beat is also a great value proposition. These are both 'Joe' propositions.

Rather than risk fresh dollars on new promos, maybe we should continue to put investment behind the ones that already seem to work: the BBJ & GIZMO.

One thing I have noticed, putting this SWOT together, is that there are fewer weaknesses at this time...

Affiliate action

We need to review our affiliates to discover who is driving the most traffic and what techniques they are using. Affiliates are a cost effective way to acquire but less cost effective for retention.



Workin' the assets

Do we make enough capital from our pros? There are opportunities here to further exploit Mr and Mrs poker for UB. The new blog site is good for SEO but the (good!) content is being wasted.

Push the profit

Avoid guesswork. Avoid the random. Do we promote a profitable game or do we attempt to rescue a loss leader? Good post analysis will guide these decisions.

Connect the dots

We need to bring good PR home to the website and to our other medial channels. If we interview Hellmuth, print it on the homepage.



2. action:

1. Invite BI to suggest additions and gather data as specified
2. Acquire market research data
3. Update competitive analysis
4. Review SWOT and update
5. There must be several other key talking points
6. Affiliate analysis





How To:

finally, it gets interesting...

1. channels:

- a. the marketing mix
- b. finding true value
- c. chasing the perfect solution

2. objectives:

- a. acquisition/reactivation
- b. retention
- c. improve profitability/migration
- d. engender loyalty/ rebuild integrity
- e. segmentation
- f. review, revise, revamp



1. channels:

the marketing mix

add the ones I have missed...





1. channels:

finding true value

- where is the real value?
- what delivers the best C.P.A.?
- what media has the best conversion rate?

MEDIA FORMAT	COST	VIEWS	CUSTOMERS	C.P.A.	CONVERSION RATE
TELEVISION	\$50,000	100,000	5,000	\$10	5%
MAGAZINE	\$5,000	5,000	100	\$50	2%
EMAIL	\$100	100,000	1,000	\$0.10	1%

This graph does not include the cost of the bonus but does indicate that new media can deliver a very good C.P.A.. despite offering a weaker conversion rate.

MEDIA FORMAT	COST	CUSTOMERS	TOTAL REVENUE LESS MARKETING COST	COST - REVENUE RATIO
TELEVISION	\$50,000	5,000	\$700,000	\$1:\$14
MAGAZINE	\$5,000	100	\$10,000	\$1:\$2
EMAIL	\$100	1,000	\$149,900	\$1:\$1499

(Total revenue estimated using an AVERAGE LIFETIME RAKE per customer of \$150)

- The chart above indicates that for every dollar invested in email, you can expect \$1499 back.
- However, all these numbers have been pulled out of my ass.
- It does – however - demonstrate the importance of analysis when choosing the optimum media channels

- $VIEWS \times CONVERSION RATE = CUSTOMERS$
- $CUSTOMERS \times AVERAGE LIFETIME RAKE = TOTAL REVENUE$
- $TOTAL REVENUE \times MARGIN = PROFIT$



1. channels:

chasing the perfect solution

**Effective marketing connects with the consumer.
It seduces. It creates desire. It engages.**

*CHASING THE
CONSUMER*

*CHASED BY
CONSUMER*



*direct mail, tele sales, TV
spots, radio, promos,
spam, too much noise,
poor content*

*great content, pros,
events, sponsorship,
lifestyle, gadgets, free
stuff, color, fun,
aspiration, phil hellmuth,
annie duke, interactive,
new media, web 2.0*



INTERRUPTION & ANNOYANCE

ENGAGEMENT & DESIRE





2. objectives:

a) acquisition / reactivation

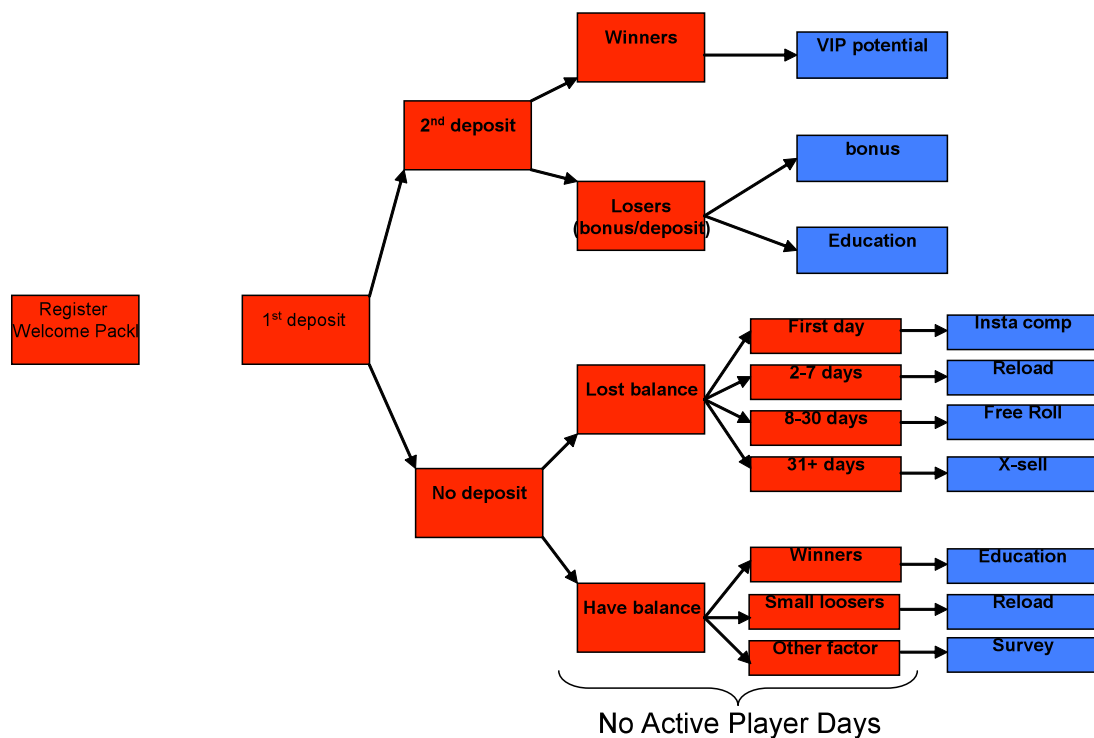
Every element of the marketing mix will contribute to acquisition. From brand to awareness, from integrity to information, everything factors.

b) retention

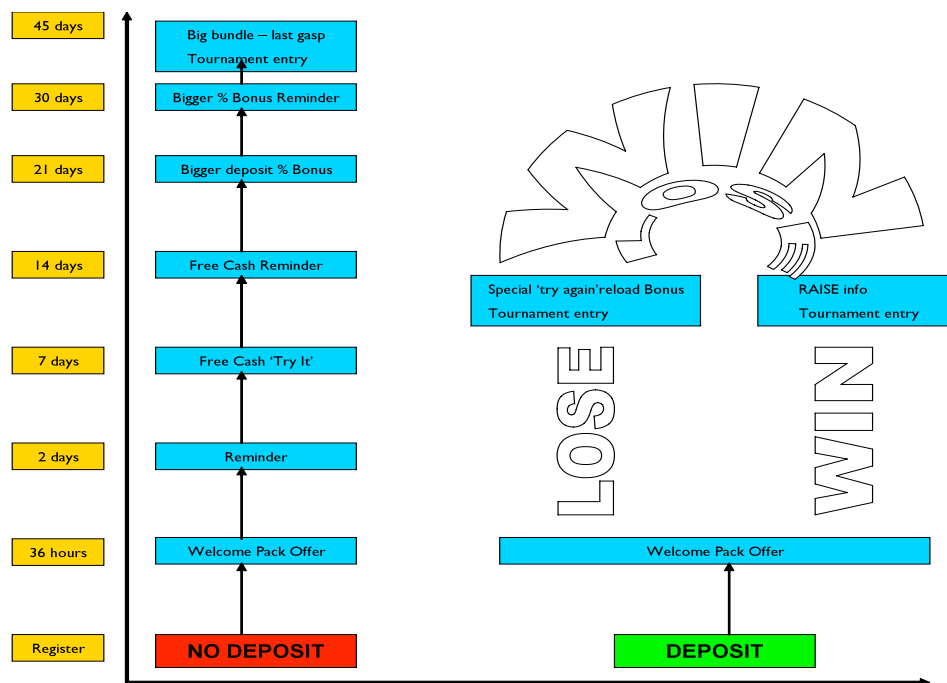
How do we hold onto customers? Here we need great customer service, fast payments, good support, and a lively roster of tournaments, promos, and action.

An effective loyalty scheme and VIP service are also important.

We have already made steps towards an automated email program that is triggered by customer behaviour. This is the model I worked with at PG.



another model:



Both these models need to be automated. We also need to factor in 'challenger' and 'champion' options, so we can adjust/test messaging until we have the best possible call to action.

c. improve profitability/migration

Analysis should indicate what games generate the best return. We should attempt to migrate customers towards these games with attractive offers.

d. engender loyalty/ rebuild integrity

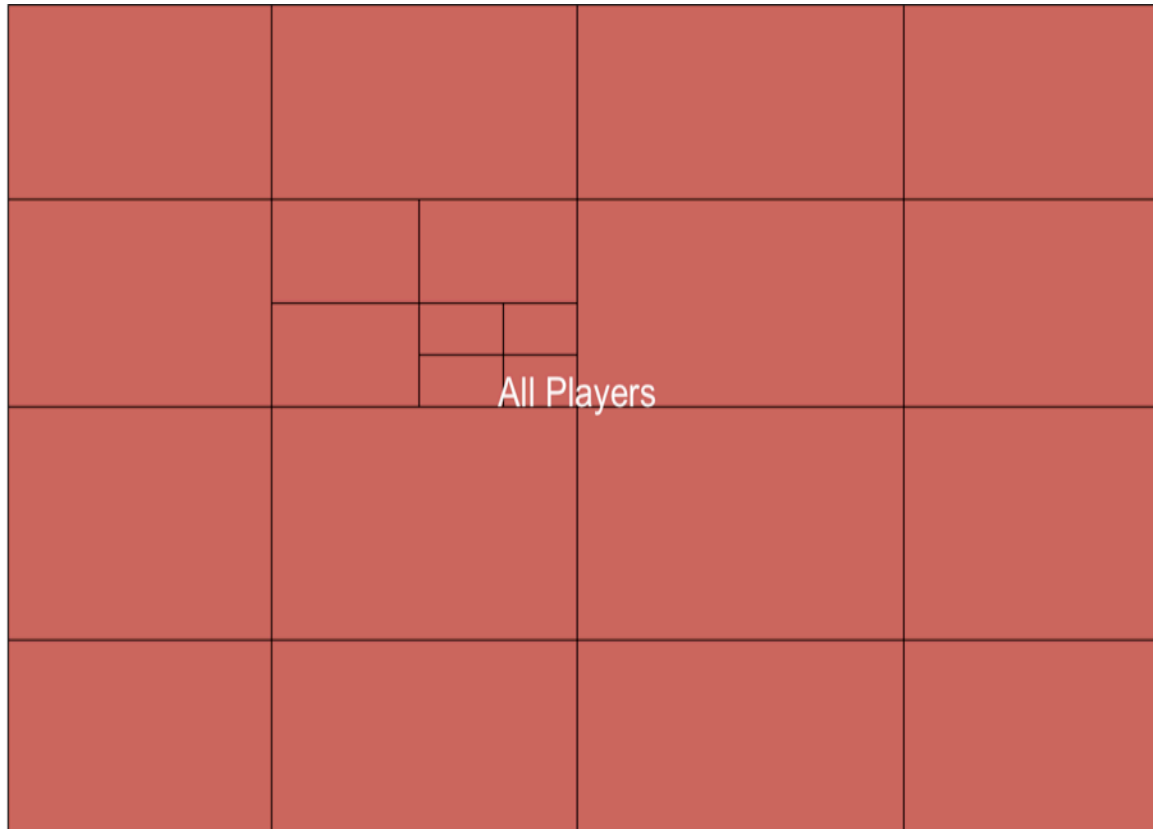
Good practise, no spam, Courteous, efficient, front of house, and positive PR will help rebuild integrity. Security as a (perceived at the very least) business bedrock. Good, clean living.

Loyalty has to be earned. We need integrity before the loyalty will return.



e. segmentation

Analysis increases granularity. Granularity gets the right offer, to the right customer, at the right time.





f. review, revise, revamp

Use champion & challenger at the point of 're-run' to optimize

