



HOW TO MAKE MONEY FROM FREE OFFERS

CASINO CLASSIC OFFERS “\$500 FREE PLAY” for an hour, AstroBingo proposes a “£10 sign-up bonus”, and Betfair Casino gives away “£5 for all new players”. Several gaming operators have understood the power of giving away money for free when acquiring new customers. Others have chosen not to use this risky promotional tool and have stuck to their traditional offers reserved to real-money players only. Reasons for this might be that they don't have the software capabilities, or that the free offer experience has been tried in the past and didn't work, or that simply the marketing team saw more risks than benefits in it: Why should we give away free money? Aren't we focusing on real money players? How much will that cost? Won't we get mostly opportunists trying to withdraw their winnings as soon as they can?

PROVEN CONCEPT

Giving away products to prospects is nothing revolutionary and has been used offline for ages. Gaming operators can learn from other online industries that have more experience facing this problem: How do I get a prospect registering on my site, and how do I make him pay for my products afterwards? For instance, almost all dating sites provide you with a free trial of their services before making you pay for it or proposing premium services.

We all know there is more to making a first deposit on a gaming site than just making the first deposit itself. All players go through several decision steps before making any purchase.

Remember, our marketing teachers have taught us what those steps are: need awareness, need assessment, data collection, data evaluation, decision to purchase, actual purchase, plus a few other post-purchase steps.

As you can see in figure 1, free offers allow you to reach prospects much earlier in the purchase

“ Only the best of the best cheating teams practicing chip manipulation will find ways to beat RFID.

process than first deposit promotions. With free offers you reach potential customers who were either previously unaware of your site, were not candidates for purchasing your product, or who were your competitors' clients.

If we needed a role-model in the art of giving away a product and promoting it online, it would be Vistaprint. The leading provider of customized printed products to small businesses and consumers, it has built its success on giving away free business cards, calendars, rubber stamps and many other printed items for free, with the customer only being charged for delivery. By doing that, it is taking advantage of the natural viral effect of its products; for example, free business cards

with the Vistaprint logo on them are passed on from prospects to prospects.

The business cards are free, but the choices are not sophisticated. Eventually Vistaprint knows some of the business leads generated will want more and pay for it, not to mention the up-selling of other products.

Product differentiation is very difficult when selling a commodity product. If you don't differentiate yourself with your product offer, you have to differentiate your brand, as Vistaprint did. Free offers can help you with it. Let's see how we can apply it to the gaming industry.

Gaming operators obviously can't give away money to players without making sure they don't immediately walk off with it. They have “locked” the free money in the terms & conditions, as Vistaprint did by making the new customer pay for the delivery.

HERE ARE A FEW RANDOM EXAMPLES I CAME ACROSS:

- “In order to qualify to transfer your winnings, you must have completed 100 bets during the promotion. If you fail to meet this requirement, all winnings will be null and void”
- “A minimum purchase of \$20 must be made in the player's Real account before winnings from this promotion can be transferred to the Real account”
- “In order to receive the \$10 bonus, you must register your casino account including credit/debit card information by 23:59 31st March 2008.”

FREE OFFERS IN THE CUSTOMER ACQUISITION PROCESS

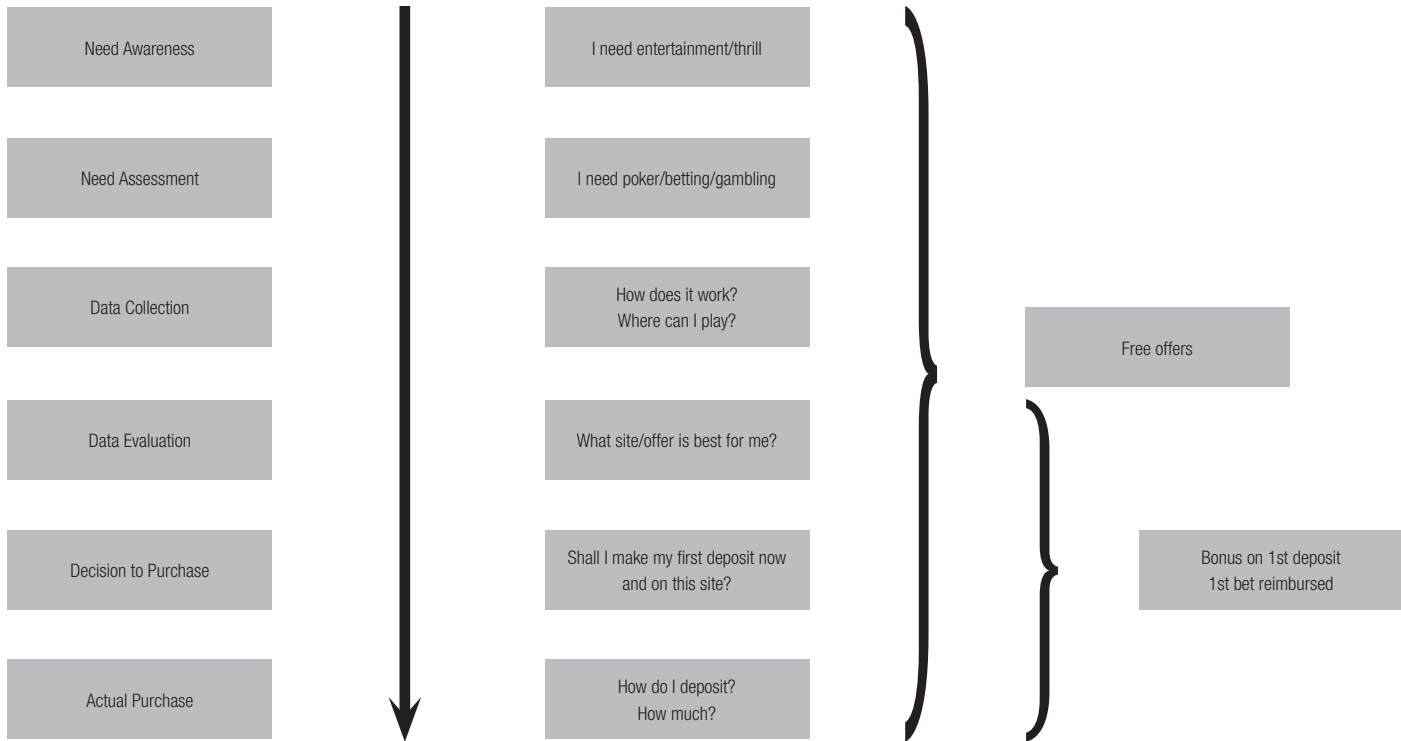


Figure 1

Promotional banners or registration confirmation emails from gaming operators sometimes speak about their “refer a friend” or customer loyalty schemes. Those offers are not applicable at this stage of the customer acquisition process: your prospects haven’t even bet on your site and you are about to ask them to refer a friend or to make another deposit – it’s just too early.

- “The maximum amount that can be won and transferred into your real account for this promotion is \$200”
- “In the event that the casino deems a player to have misused a casino account for the exploitation of promotional offers, without ever demonstrating any degree of risk with personal funds or serious intention to play, the redemption of all such promotional offers, including but not limited to sign-up bonuses, will be suspended until such times as the player demonstrates a playing history whereby a risk of personal funds is periodically demonstrated at the casino.”
- “The Sign Up Bonus is only for new players trying out our bingo site. No winnings can be redeemed unless the player has made at least one deposit before winning.”

FREE MEANS FREE

Giving away free money on a gaming account is one popular idea. You can also give away a free bet which may cost you much less per registered prospect. In any case, you need an offer that is genuinely free without requiring a first deposit, otherwise it’s not free anymore and you’ll reach mostly prospects that were just about to deposit on your site, as illustrated in the previous chart.

Also, make sure the process of benefiting from

the offer is easy enough so that prospects don’t get discouraged or scared along the registration or software download process. Recently I came across an unknown online casino offering free money when registering, but asking for credit card details to be able to play with the free money! How can people leave their credit card details to an unknown casino? If you are a well-known or trusted brand you may get away with this mistake, but this brand has to build trust beforehand.

STRATEGY

If you choose to run a free offer, your advertising buying strategy should fit with your new promotion, that’s what most of the gaming operators fail to do. They change their promotional message, “free money” instead of the casual deposit bonus offer on the banners and landing pages, but they forget to adapt their advertising strategy to it.

First, target sites where the free offer is the most adapted – meaning, with an audience that is not in the final steps of the purchasing process. You should focus on advertising channels that allow you to reach those sites, media networks and third party affiliate networks (e.g. TradeDoubler, Buy.at), rather than your in-house affiliate program. Note that affiliates on third party networks are used to such free offers from other non-gaming advertisers

and have a huge potential in bringing you large numbers of untapped prospects.

Second, pay your affiliates not only for the sales but also for the leads they generate, otherwise they won’t be motivated in promoting this new offer and they might get frustrated to see the hundred unpaid leads they are sending you.

You are now armed with a set of guidelines that will hopefully make you consider free offers in a different way. A free offer can lock your competitors out of consideration when it comes to real money play from your prospects. Take advantage of it! ■

AUTHOR PROFILE



John Samson is an online marketing consultant, expert in affiliate marketing, search marketing and media buying. He founded Agence Snoopy in 2005, which promotes B-to-C merchants on European markets. ROI-driven, the agency optimizes the online advertising activities of gaming and non-gaming operators.