GAMBLING ADVERTISING AND MARKETING SPEND IN GREAT BRITAIN, 2014-17

REGULUS PARTNERS

GB TOTAL

TELEVISION +15%
e.g. advertising, programme sponsorship
155 (2014) → 234 (2017)

SPONSORSHIP +26%
e.g. football shirts, horse races
30 (2014) → 60 (2017)

SOCIAL +53%
e.g. Facebook content, commercial Twitter feed
42 (2014) → 149 (2017)

AFFILIATES +2%
e.g. relationships with content providers
282 (2014) → 301 (2017)

ONLINE MARKETING +23%
e.g. banner ads, paid search
400 (2014) → 747 (2017)

OTHER OFFLINE ADVERTISING -9%
e.g. print newspaper ads, billboards
94 (2014) → 70 (2017)

TOTAL +16%
2014 1003 → 2017 1561

- RP estimates that the GB gambling industry spent £1.5bn on advertising and marketing in 2017, which has grown at 17% per year from 2014
- This includes c. £60m in sports sponsorship, much of which (in cost terms) is designed to appeal to a global audience of GB sports (especially the English Premier League)
- TV advertising has grown at 15% per year to become 16% of total spending mix

COMMERCIAL ONLINE (betting, casino games, bingo, poker)

TELEVISION SPORT +22%
80 (2014) → 145 (2017)

TELEVISION OTHER +14%
30 (2014) → 45 (2017)

SPONSORSHIP +26%
30 (2014) → 60 (2017)

ONLINE MARKETING +21%
376 (2014) → 725 (2017)

AFFILIATES +3%
274 (2014) → 295 (2017)

SOCIAL +52%
40 (2014) → 140 (2017)

OTHER OFFLINE ADVERTISING -8%
82 (2014) → 63 (2017)

TOTAL +17%
2014 912 → 2017 1473

- The GB commercial sector (ie, excluding lottery) represents 94% of total spend
- TV advertising is heavily polarised between intensive and expensive sports and cheaper but more frequent 'other slots' (daytime bingo, casino post 9pm)
- Social Media marketing has grown to become a material channel, while affiliate spend is now declining

LOTTERY

TELEVISION -1%
45 (2014) → 44 (2017)

ONLINE MARKETING -2%
23 (2014) → 22 (2017)

AFFILIATES -9%
8 (2014) → 6 (2017)

SOCIAL +65%
2 (2014) → 9 (2017)

OTHER OFFLINE ADVERTISING -16%
12 (2014) → 7 (2017)

TOTAL -1%
2014 - 91 → 2017 - 88

- The GB lottery sector (including Large Society Lotteries and their providers) represents 6% of estimated spend
- While TV mix is higher (50% vs. 13%), total estimated spend is less than a quarter of the commercial sector
- Lottery advertising and marketing spend is relatively static overall, with substantially all growth coming from the commercial sector

% growth referred to is CAGR, ie growth per anum

Source: Regulus Partners estimates