

Proxy betting: A Friend indeed



PROXY BETTING

Shaun McCamley, Partner at Global Market Advisors LLC, Head of Asia Operations, writes about the growing significance of the proxy betting revenues in Asia's grey markets.

Proxy betting is booming in Asia's grey markets, with live streaming of table games thought to be pulling in a chunk of Macau's missing VIP billions. In early 2016, industry analysts estimated that proxy betting's contribution to overall Macau VIP betting volume had grown about 15 percent in 2015 from the prior year. Proxy gambling, in its simplest form, allows a person to wager on a table game from a remote location, using a proxy to place his/her bets at a live table game in a casino, and communicating via telephone.

On 6 May 2016, the Gaming Inspection and Coordination Bureau (DICJ), Macau's gaming regulatory authority, announced that the use of telephones by those sitting at VIP gambling tables would be prohibited, effective 9 May 2016. This came as disappointment to Macau casino operators, who with the downturn in VIP, enjoyed this incremental gaming revenue with its low operating costs. Some experts are suggesting that a sizeable portion of Macau's lost turnover has found its way into the grey markets of Indochina and Southeast Asia - specifically Cambodia, Vietnam and the Philippines - as customers in remote locations seek the anonymity and relative ease of utilizing so-called proxy players.

So why is proxy betting so popular, and why do players enjoy this style of play, particularly when they are not physically present to enjoy the thrill of the game? The number one reason is player anonymity. China's continued high profile anti-corruption

drive has meant that players are now reluctant to travel or be seen playing at casinos. Also, players for whom, for one reason or another, cannot leave their home country, either through inconvenience or visa restrictions, proxy betting allows them to overcome these hurdles and enjoy casino gambling in real time.

Not to be confused with online wagering, a key difference between proxy betting and RNG/Online and Live Dealer/Online is that the latter two versions may be a violation of a particular country's laws. A person making a bet using an RNG/Online or Live Dealer/Online may be residing in a country that prohibits gambling. While gambling may be legal where the casino is located, a person placing a wager via a registered account may be violating his nation's restrictions on gambling. In proxy betting, it is the proxy who is making the wager with the transaction taking place in the country where the casino is located - not where the spectator resides.

Another important element that defines both RNG/Online and Live Dealer/Online is that both of these options require a player to have a registered account through which to fund and place wagers through a table game graphic interface.

Proxy betting is a form of wagering where a person designates a trusted individual as his/her proxy. The proxy communicates with his colleague via a mobile phone and, following their instructions, makes bets at a gaming table in a casino. In a more typical proxy betting scenario, a casino provides

a live video feed of a table game. A person, using a computer or mobile device, can observe that table game from a remote location, whether in another city or another country. Instructions are communicated to the proxy via a mobile phone. The proxy physically makes each bet. Each game's outcome is observed on the spectator's video display, and winnings are paid to the proxy player. More important, the wagering activity, the actual exchange of money and each game's outcome takes place in the casino, and not in the country where the spectator is located. The spectator is simply observing the game, providing wagering instructions to his/her proxy via telephone, and watching each game's outcome. The proxy can be a trusted friend or even an appointed agent of the casino.

In today's competitive market, astute casino operators know they need to look at all options that will give them an edge over their competition. The Live Dealer/Online option is expensive and very difficult to manage, so having a simple and effective service that allows players to bet via a proxy and view the game outcome on their computer, flat screen or mobile device makes a lot of sense.

Offering a proxy betting service is relatively straightforward, to install one of the best phone betting solutions on offer is through a company called GameTrac. Offering phone betting opens up a casino operator's latent revenue creation capabilities, and at the same time, keeps normal associated player incremental costs low. A proxy betting solution means the casino operator can always be in touch with the property's player database, allowing the player, through a proxy, to wager in real time without having to leave the comfort of home, office or country. This is particularly appealing for players residing in countries where gambling is prohibited. If you operating in this part of the world, get on board and offer phone betting to your players.

