

## Safety first

Diligent and transparent testing regimes are the backbone of an incredibly complicated igaming ecosystem. **INTERGAMINGi** examines the major talking points with leading figures from the sector and discusses their plans for the future

**I**TECH Labs is a leading independent testing and certification laboratory that caters exclusively to the online gambling industry.

Established in 2004 by Kiren Sreekumar and Geoff Nicoll, in Melbourne, Australia, both utilised their knowledge of regulatory standards and customer needs to establish a “fast-growing and thriving global company.”

From the start, their goal was to cater exclusively to the online gambling industry.

eCOGRA is a management owned company that was incorporated in the UK in 2003 with the objective of establishing and improving operational best practice standards and player protection requirements in the online gambling industry.

Since then, eCOGRA has established itself as one of “the industry’s leading testing, inspection and certification bodies” and acts as a regulatory audit partner to over 120 multi-jurisdictional operators, software providers and other relevant service providers.

DIMOCO was founded in 2000 and is still to date a privately owned company.

As a mobile marketing and then payment option company, its core ideas later became carrier billing - a mobile payment method enabling quick and easy payment, as “the user is automatically verified and authorised via the mobile phone number in the background.”

Established in 1981, with 40 years in the industry BMM Testlabs is one of the longest established and most experienced gaming testing laboratories in the world.

It now employs more staff today than it did prior to the pandemic and continues to grow after four decades working in the sector.

*Elise Cray, marketing and operations manager at iTech Labs,* sees

advancements in the sector having a greater effect as more customisable cutting-edge products come to fruition.

“Lately, the igaming industry has seen some significant technological advancements in both gaming and payment technologies, with the likes of bitcoin, virtual reality and more.

“As a result, testing labs must rise to meet these advancements and provide the necessary services to accommodate these new technologies and features.

“At iTech Labs, our testing methodologies and approaches are continuously being revised and moved forward to meet and

align with the dynamic new advancements in the industry.”

Cray added: “More than ever, it’s essential for companies to be able to adapt with flexibility and a customised approach to individual and ever-changing client needs.”

*Shaun McCallaghan, CEO of eCOGRA,* said: “Our decision to focus solely on online gambling has enabled eCOGRA to offer the most comprehensive suite of independent assessment services that an operator or software supplier licensed across multiple, highly regulated jurisdictions would typically require.

“For example, in addition to the typical testing, inspection and certification work performed against technical standards, eCOGRA is the first testing laboratory accredited to offer operators and service providers certified ISO/IEC 27001 audits for Information Security Management Systems (ISMS).

“We are also the only laboratory that is approved to provide Alternative Dispute Resolution (ADR) services required by operators licensed in Great Britain and Malta. eCOGRA also offers an impartial mediation service for disputes that arise between registered websites and their customers outside of Great Britain and Malta.”

For *director of sales at DIMOCO, Bettina Sommer,* it is meeting the compliance requirements of each local regulator that is the key to success. And that by building a “custom experience for each operator in each market” companies can create an individual and customised payment page for each partner displayed to the player during the payment journey.

“We provide the payment solution carrier billing in multiple countries and each country has different regulations,” said Sommer.

“At DIMOCO, we provide and handle this page in the customer’s corporate design and ensure that it is compliant with all rules in every country – a benefit especially if an operator wants to venture into a new market.

“While there is no regulator-imposed testing regime for carrier billing we are happy to say that we offer an excellent uptime and conversion rates for our payment solution.”

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*Elise Cray, iTech Labs*

SHAUN MCCALLAGHAN, ECOGRA:

*"The sector has proven to be Covid-19 resilient, one of a few that has shown remarkable growth and return during unprecedented times. The world is moving towards digitisation and regulation is at the heart of it all."*



She added: "DIMOCO has built a network of test centres across all markets where we are active. We combined these with automated testing and monitoring thus always having a live view regarding the compliance of our payment solution."

**BMM CEO Martin Storm** sees an opportunity in the ever-evolving market and believes that the digital testing business is growing "very strongly," while traditional land-based testing awaits the demand that comes from land-based casinos opening up again across the globe.

"We are confident about our future growth," said Storm. "The land-based gaming business has been deeply affected by Covid-led casino closures across the regulated gaming world.

"Operators had to cut costs and wait it out. Product sales and shipment opportunities for traditional manufacturers and suppliers paused, also forcing them to cut costs and carefully select short-term growth projects."

#### STANDING OUT FROM THE CROWD

"With the industry continuously expanding due to the knock-on effects of Covid-19, standing out from the competition is always going to be difficult unless the company itself can energise the market with new and exciting products," Sommer says.

"Our payment solution is currently the sole option that can process a payment with only the information a player already provided during the casino account creation process,"

"In Germany, for example, we are the exclusive payment method enabling combined mobile payments and ID-Checks in a simple one-click experience for the player. This translates into a secure payment option with zero friction and fast processing times that igaming companies are highlighting to new player accounts so players can already experience a new casino for example without having to add any payment or personal information nor data."

Storm agrees: "Quite simply, with no physical assets to close and ongoing market expansion, digital or igaming has flourished during the Covid pandemic.

"It has reached all-time highs in terms of the number of suppliers to engage, the number of products to certify and new markets opening, particularly in the US. I know all the labs have done well in this segment in Europe over the last two to three years.

"However, while there are more local market labs in Europe competing for digital product testing, the opening of the North American market has very quickly changed the narrative in favour of global testlab capabilities with real and immediate market access to US and Canadian jurisdictions.

"BMM is extremely well placed to service sports-betting and online gaming players wishing to spread their wings into the US and Canadian gaming markets, as we are licensed everywhere they need and have more than 20 years of experience in igaming.

"Right now we are seeing a lot of very large European igaming players already in or heading to North America."

McCallaghan believes that keeping up to date with the changes in the sector is paramount in relation to staying ahead of the curve in such a fast-flowing industry.

"We have adopted a culture of continuous improvement and invest heavily in educating our staff to the benefit of the company, our employees and our clients," says McCallaghan.

"As we typically appoint auditors from the 'big four' auditing firms, a number of our staff are governed by the International Federation of Accountants and are required to utilise the auditing standards of the International Auditing and Assurance Standards Board, with continuous professional education around the latest testing developments and applicable methodologies.

“THERE IS NO OTHER PAYMENT THAT REACHES THE CONVENIENCE AND THE COVERAGE THAT CARRIER BILLING OFFERS”

**Bettina Sommer, DIMOCO**

He added: "Our testing and inspection methodologies have been developed and refined over many years with adaptability in mind, allowing us to act swiftly to accommodate change."

Cray believes it is interesting that major operators are partnering with, or investing in, sports betting companies to drive a unique brand and create value propositions for their businesses.

"This tells us how important digital offerings have become and now we know that most operators don't view online business as cannibalising their land-based business, but rather enhancing their offerings," says Cray.

"The gaming industry is definitely evolving quickly and it's vital for us to stay ahead of the game to ensure that we are providing the best service for our customers.

"One of the ways we do this is by listening closely to our customers and keeping an open dialogue with them about their business goals, both short-term and long-term.

"After all, the industry change happens from within - to us, our customers are not only the heart of the industry, but also the heart of our business.

"One way we do this is by working on becoming accredited for new markets that we have sensed an interest in.



"We like to ensure that we are well placed before the market itself opens up, so that we are prepared as early as possible to provide certification services for new jurisdictions.

"In addition, we ensure that any new technologies and trends are on our radar by keeping up to date with not only industry news, but also general advancements in technology and related fields that could potentially affect the gaming market."

## MEETING THE NEEDS OF THE MARKET

"As the only testing laboratory that is approved to provide ADR services required by operators licensed in Great Britain and Malta, we are acutely aware of player complaints and disputes," said McCallaghan.

"We act independently from both operators and their customers as a dispute mediation provider. Having adjudicated over 5,000 valid disputes, our expertise and knowledge in the industry has created tremendous good will with operators, their customers and regulators.

"We will not hesitate to reject new work to ensure we can continually provide a superior, trustworthy and reliable service to our customers and relevant stakeholders."

Storm says: "BMM has been a dedicated 'trusted advisor' for gaming product companies in all markets around the world of regulated gaming by offering experienced functional, compliance and security testing teams."

He continued: "To generate opportunities for customers, you need professional regulatory development teams, technical compliance teams, strong account management and sales, all in multiple locations, as well as competent marketing reach.

"The global labs will spend more than 30 per cent on SG&A to revenue to deliver these capabilities. Without that kind of investment, it's highly unlikely you will achieve your goals of market expansion and you will let customers down."

Storm sees a lot of new entrants wanting to "provide product or technical guidance" to customers into new markets, but believes many just do not have enough experience in product certification or testing.

"They just collate the requirements and provide the information. That's the easy bit - knowing how to do something successfully the first time can only be provided by an experienced test lab. The cost of getting it wrong for a supplier is enormous."

He continued: "BMM Europe's digital business has grown 1,000 per cent in the last five years, our North America's digital business grew 300 per cent in the last year, both coming off a strong base.

"Given how our market works, there is probably an open two-year window for igaming product certification growth in North America before an inevitable retreat. Again, BMM is ready to move now."

Cray believes there is a way to placate both operators and players.

"The work we do, at its core, is ensuring a safe and reliable gaming environment for players. Any time we certify or conduct quality assurance testing on a product, we are working towards what is best for both the end players and the operator.

"Robust, fair, and reliable games are not only best for players, but also for operators.

"Operators need to comply with regulatory standards in order to release their products.

Compliance with regulatory standards ensures fairness, transparency and trust, which is ultimately beneficial to operators."

Sommer argues that carrier billing is the most user-friendly payment option with an incredibly wide reach across the world.

"There is no other payment that reaches the convenience and the coverage that carrier billing offers.

"This translates to easy and quick payments which boosts the conversion rates for operators and therefore caters perfectly to both parties.

"Almost everybody owns a mobile phone - a potential payment instrument, therefore, carrier billing offers an unparalleled adoption and penetration rate."

## THE FUTURE

On the topic of plans for the future, BMM's Storm is definitive in his vision for the company's future.

"BMM is rising quickly in the gaming lab market, internationally, but more particularly in the US.

"We employ more staff today than we did prior to the pandemic as we continue to grow. Our digital testing business is growing very strongly while our traditional land-based testing awaits the demand that will come from land-based casinos opening up again all over the world. We are confident about our future growth."

Cray also sees expansion on a global scale as part and parcel of the company's development and was willing to share with *INTERGAMINGi* some information as to the vision of where iTech Labs is heading.

"This isn't such a secret any more, but iTech Labs recently hired a new LatAm business development manager, who has already been making a positive mark on that part of the world.

"Drawing on her previous gaming industry experience, and speaking fluent Spanish, Portuguese and English, Karina Moral is working closely with many industry leaders in LatAm, building iTech Labs' presence in this fast-developing and large new market."

She continued: "iTech Labs will be making some exciting new developments not only in LatAm, but also in Europe and around the world."

It appears that globalisation is not the only thing on the agenda for igaming testing companies as they head into the future, as Sommer suggests.

"Carrier billing is already a very popular alternative to credit cards, PayPal or instant bank transfers for micropayments in app stores, for in-app purchases, parking tickets, snacks at vending machines, for charging electric cars, but also for music downloads, online games or video-on-demand purchases.

"Gambling operators can offer carrier billing in Austria, Hungary, Sweden, UK and Germany. We are currently in the process of expanding the offering to most

European countries over the next year - I am sure that in five years' time carrier billing will well be available to all gamblers, maybe even across the globe."

McCallaghan agrees that global growth is paramount for companies and highlights that eCOGRA always aims to provide its clients with a full solution certification service.

"We are audit partners to our clients and we strive to deliver exceptional service with our highly qualified, experienced and skilled full-time staff."

On the topic of globalisation, McCallaghan said: "We will be expanding our service offering with additional services, but I'd prefer to keep this under wraps for now.

"Over the past 10 years, on average two jurisdictions per year have formalised regulation for online gambling. In 2021 alone, four notable jurisdictions have implemented regulations for online gambling. This is quite remarkable and does not take account of the US jurisdictions that have opened.

He continued: "The next five years will see exponential growth as jurisdictions perceive the need to protect players and earn valuable revenue through taxes.

"The sector has proven to be Covid-19 resilient, one of a few that has shown remarkable growth and return during unprecedented times. The world is moving towards digitisation and regulation is at the heart of it all. I see regulation being a cornerstone of all future industries."

“OUR DIGITAL TESTING BUSINESS IS GROWING VERY STRONGLY WHILE OUR TRADITIONAL LAND-BASED TESTING AWAITS THE DEMAND THAT WILL COME FROM LAND-BASED CASINOS OPENING UP AGAIN ALL OVER THE WORLD”

*Martin Storm, BMM*

