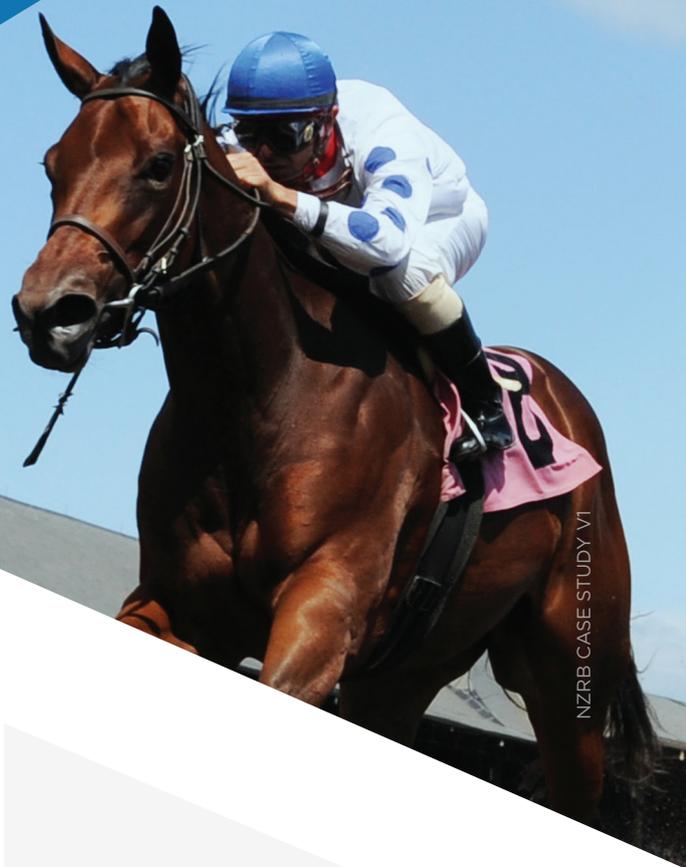


NEW ZEALAND RACING BOARD BETS ON DIGITAL FUTURE

CASE STUDY



Established in 2003 under the Racing Act, The New Zealand Racing Board administers all racing and sports wagering in New Zealand.

Managing more than 164,000 active TAB account holders through a retail network that comprises more than 675 outlets, the NZ Racing Board directly employs 920 personnel to schedule and broadcast daily racing for customers in New Zealand and to sell racing and sports bets through its retail network, online and telephony channels.

Each season, the NZ Racing Board supports betting on more than 69,000 domestic and imported thoroughbred, harness and greyhound races. It also supports betting on approximately 29,000 domestic and international sporting events through its betting agreements with 33 New Zealand national sporting organisations.

THE NEED

Customers have been driving a shift in the market towards online betting and a preference for straight forward and easily understood products. These new products have a lower margin, impacting NZ Racing Board's overall strategic goals and its pursuit of a lower cost service model.

THE SOLUTION

Certus Solutions implemented the platform and developed an enterprise grade digital platform and mobile application, capable of transacting hundreds of thousands of dollars in bets only seconds before an event begins. The solution also allows for live and in play betting, another growing market.

THE BENEFIT

The new betting app has been downloaded more than 50,000 times. There has been a significant increase in bets placed online - up to 100% in the lower spend segments - ensuring that NZ Racing Board's TAB business can focus on minimising cost to serve.

OVERVIEW



PROJECT: TAB Mobile Betting App

TECHNOLOGIES: IBM MobileFirst, IBM HTTP Server and DB2

INDUSTRY: Entertainment

“We needed to create an app that would enable us to access a whole new group of customers, including Gen Y-ers and customers who would traditionally not have been comfortable betting instore or through our website. We have enjoyed a retail monopoly in New Zealand, and also wanted to stake some ownership of the market in the digital space by creating a user experience that was relevant to our existing and new customers”

Greg Dillon
NZRB

Changing customer preferences influence new digital strategy

New Zealand Racing Board, specifically its TAB organisation, has been challenged by a changing demographic of customers - one that likes to make its bets online through a personalised app. With emerging competitors beginning to capture this audience, it was imperative that TAB review its ability to take bets outside of the bricks and mortar shops and traditional web channels.

These changing preferences were also beginning to impact TAB's profitability. While it continued to achieve record turnover results, the impact of customers' increasing preference for lower margin, fixed odds products together with a changing margin mix and a higher cost to serve reduced the benefit of the overall revenue increase.

Even though it continues to hold a retail betting monopoly in New Zealand through its stores, the TAB is vulnerable in the digital space - particularly because some international competitors with online capability were increasing spend in sports sponsorship and app stores to attract new customers.



Making betting easier through a highly secure and scalable app

Chosen to implement a digital/mobile solution that was to be rolled out alongside an integration strategy and service tier implementation by Integration Works, Certus Solutions set about building a highly secure and scalable mobile infrastructure using IBM MobileFirst (formerly IBM Worklight), IBM HTTP Server and DB2 database.

With user experience and high availability in mind, Certus Solutions created a mobile application using an agile development process.

In all, the project took around 18 months from inception to go-live. "Once we realised the enormity of the task, we established some realistic timelines and a very stringent budget, which were both achieved."

In developing an automated process for building the required, Certus Solutions also established development operations systems and processes that includes source control, an issue tracking system and code integration server ensuring that development progressed in a rapid and iterative fashion for ongoing extensions and customer driven improvement.

Says Greg Dillon, "The phased project enabled us to get the app to market efficiently and begin to generate revenue much earlier. Using the methodology set up by Certus we can continue to make changes to the app so it remains relevant to the market and takes advantage of technology improvements for the future. Without the need to change the underlying infrastructure, we can also quickly respond to market changes, which is very important."

Business benefits

Since its introduction – and with only minimal promotion – the app has been downloaded by more than 30,000 users, and has resulted in a 135% growth month on month and a 10% lift in the volume of customers.

The new mobile app has been integrated via the service tier to utilise TAB's existing payment and betting systems, and is supported by an overarching platform that complements the organisation's wider digital strategy. A major benefit of this approach is that, in the future, it also provides the organisation with an opportunity to on board other legacy channels.

With the new technology in place, the organisation is now positioned more competitively with other betting agencies that do not carry the cost of maintaining a physical retail presence. It is also set to capture a younger audience whose preference is for online rather than physical attendance at a store to place a bet.



Other benefits to the organisation include:

- The attraction of new customers and stronger advocates through a mobile presence.
- An increased spend from existing customers who find the app easier, more informative and more discrete to use.
- An improved ability to manage costs and increase ROI due to the introduction of rapid scalability.
- An increase in usage from new interaction patterns from NZRB customers.

"We are confident the IBM solution that Certus has built will work for us long-term. The design and introduction of the app has opened up a whole new segment of customers for us who simply see betting as a form of entertainment. It has also improved our competitive standing in the market."

Greg Dillon
NZRB

ABOUT NZRB

NZRB are a major entertainment business with more than 148,000 TAB account-holders and a retail network comprising more than 640 outlets.

They support betting on more than 69,000 domestic and imported thoroughbred, harness and greyhound races each season, as well as on a rapidly growing number of domestic and international sporting events.

“We look forward to enhancing our mobile offering with more product and services for all customers to not only improve their betting experience, but to also further increase our margins through a diminished cost to serve”

Greg Dillon

NZRB



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