

New Technologies – Big Decisions for Long-Term Success ***iGaming Business Magazine: Quarter 3 – 2006***

It was the Greek philosopher Plato who said “necessity is the mother of invention.”¹ This axiom has held true in the iGaming industry, as obstacles and barriers are quickly overcome with new and innovative technological solutions.

In many cases, these new technologies are subsequently adopted in other industries, eventually becoming general business practice across the board. It is not surprising that the take-up of new technologies is critically important. On the one hand failure to innovate can leave you standing at the starting gate, but a wrong decision could have you adopting a soon-to-be-extinct technology and falling far behind your competitors.

History repeats itself, and there are more than a few examples that we can draw on from other industries...

- *“This ‘telephone’ has too many shortcomings to be seriously considered as a means of communication. The device is inherently of no value to us.”* Western Union internal memo, 1876.²
- *“The wireless music box has no imaginable commercial value. Who would pay for a message sent to nobody in particular?”* David Sarnoff’s associates in response to his urgings for investment in the radio in the 1920s.²
- *“While theoretically and technically television may be feasible, commercially and financially I consider it an impossibility, a development of which we need waste little time or dreaming.”* Lee De Forest, 1926.²

These examples should not deter us, but serve to warn us that we must choose our new technological innovations wisely.

So where can we look for positive examples to guide us? For starters, let’s examine the needs of the iGaming industry, so as to see how these needs have been satisfied.

It has become necessary for iGaming operators to perform identity verification of their players. This has been partially driven by commercial needs, as iGaming operators aim to reduce fraud on their gaming sites. This has also been driven by regulatory needs, as iGaming operators are often required to monitor and combat underage gambling, money-laundering and other negative aspects of any gambling business.

This need for identity verification systems has accordingly delivered a healthy boost to the revenues of providers such as Experian, VerifyMe and 192.com, to mention a few.

Naturally, the software suppliers who are able to provide the ‘right’ service at a competitive price will be the eventual survivors. When the dust settles, you could either be left with solid, long-term solution for identity verification, or a dead technology in need of replacement.

The same principle applies to payment systems, as iGaming operators continue their search for the means to enable players to deposit funds with a minimum of overhead. This has recently become a critical issue, as major payment system providers like MasterCard and Visa are placing severe limitation on iGaming transactions in North American jurisdictions.

As quickly as such problems arise, providers such as NetTeller, FirePay and Ezybonds are poised and ready to fill the gaps created by MasterCard's and Visa's reluctance.

Boasting a wide array of special features, these providers will continue to grow in the iGaming industry. Furthermore, these payment system providers are seeing a prolific growth in non-gambling online industries. This should come as no surprise, since these solutions were specifically built with the Internet in mind, and can be easily implemented in any commercial interactive environment.

An example of the advanced features and adaptability offered by payment systems is Ezybonds' capacity to allow users to transfer funds using their mobile telephones. One can clearly see that widespread acceptance of selected solutions is on the horizon. Again, a wise choice could see you implementing a solution shared by the global online community. On the flipside, you may be forced to switch providers after learning that your chosen system is on the way out.

Another area of technological advancement to examine is mobile gaming, as many operators are moving to provide users with the means to play games with their mobile telephone or PDA.

One of the biggest problems faced by these operators is that the mobile gaming experience is restricted by the ergonomic limitations of the physical device. Older mobile telephones and PDAs were equipped with a cumbersome key pad and a relatively small view screen with poor resolution.

Mobile technology has come a long way, and manufacturers have answered such demands with more ergonomic key pads, and bigger and better view screens. Urged on by the recent introduction of mobile television, this trend is not likely to diminish in the near future.

With an increasing quality of potential game play experience brought about by advancements in mobile telephone and PDA technology, implementing a mobile interface for your iGaming operations should be a serious consideration. Your competitors are surely asking themselves the same question, and your reluctance to act could potentially result in lost market share and revenue.

Moving forward, you will have to decide where to take your organization's technological innovations. These choices will need to be made on a continual basis, as you decide with each new day which technologies to adopt, and which to reject. These decisions are of critical importance, as you will need to stay on the leading edge of the technological offering in order to keep up with your competitors, and keep your players connected.

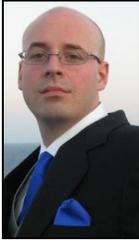
You can be assured that obstacles and barriers will continue to present themselves to iGaming operators, while in turn suppliers will continue to present the necessary solutions. Falling behind just isn't an option, so you will have to decide how to jump forward and where you want to land.

Footnotes

¹ *Plato's Republic*

² <http://www.chemistrycoach.com/invention.htm>

Bio



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