

With the help of CyberArts' Foundation platform, Italy's first poker site Gioco Digitale launched successfully despite difficult legislation hurdles

INDEPENDENT SUCCESS

THE GROWTH OF ONLINE poker is increasingly fuelled by additional legal venues. The expansion of poker into new territories is a challenging affair. The myriad of rules and regulations can be confusing and time consuming. However, with marketing, political and legal savvy, and technological support from a respected and proven supplier, the path to success in even the most difficult jurisdictions can be swift and rewarding. That's what Italian entrepreneur, Carlo Gualandri, founder and chief executive of Gioco Digitale found when he accomplished his goal of being the first pay-to-play poker site in Italy. The story of his effort and rapid success will intrigue gaming entrepreneurs in other countries.

Gualandri is thoroughly knowledgeable about the lottery and gaming business, and is a veteran of the dotcom era, having founded Italy's largest internet portal, Virgilio. Gualandri realised that to have a really profitable online poker venture, the best path is to own your technology and customers rather than to work with a poker network. It is well understood that the large revenue share fees of a network will squeeze the marketing budgets and bottom line profitability of the white labels, but can a new company succeed without them?

Setting up a poker operation is difficult. The technology, marketing and legal issues require specialist knowledge. Many branded Gualandri overly ambitious when he decided the network path was not for him. "We knew early on that we would control our technology," says Gualandri. "We always had in previous ventures, so we saw no issue with doing it ourselves with a good software company," he continues.

To achieve a superior player experience tailored to Italian sensibilities, Gualandri required a technology platform that would allow him to add, modify, customise

and integrate functions within a gaming platform that was reliable and robust. He did not see how this could be achieved with a network. "In online gaming, the networks do not seem interested in the development of your brand requirements," begins Gualandri. "We had to choose a company that values the product and wants to develop our offering as a partnership and not just provide a service."

Competitive advantage

For Gualandri, the need to buck the network trend was driven by a passion to control the player experience more than a network allows. However, this strategy was cemented as not only feasible, but necessary, when the laws of the Italian government made it impossible (at the time Gioco Digitale was applying for the licence) to launch a poker site in Italy with a network that permits non-Italians to play.

Italian law states: the poker servers must be located within Italy; every single tournament must be pre-approved by the government; and only players in Italy can enter. The last caveat was to be a stumbling block for networks – one that would slow down their progress of accessing Italian citizens, not by weeks but by many months, putting marketing calendars wildly off target. However, at Gioco Digitale, Gualandri's forward-thinking attitude and will to have a technology 'partner' rather than 'supplier' gave him a competitive advantage.

Gualandri chose California-based CyberArts because the technology met his criteria in terms of quality and painless software implementation. CyberArts' open architecture, willingness to customise, and superior scalability put the platform in sync with the marketing ambitions necessary to execute Gioco Digitale's ideas for cultural adaptations appropriate to Italy.

CyberArts inspired confidence in Gualandri that he would actually become the first legal pay-to-play poker site in Italy. The complicated process of gaining real-time approval before every single tournament was the sticking point, and one CyberArts' vice-president of engineering, Rudi Diezman, expands on: "The government wants player verification in real time. Within seconds of the table going live, Gioco Digitale needs to obtain permission from the authorities that the tournament can begin. If for

"Gualandri chose CyberArts because the technology met his criteria in terms of quality"



some reason that permission cannot be given, a message pops up on the screen to say the table has been cancelled and that the players should try again later.”

Gaining market share

CyberArts helped Gioco Digitale achieve its objective ahead of schedule. Lacking a network, the new poker site did not have a ready-made player base. To build liquidity and validate the technology, Gioco Digitale offered free-play poker. While the government was finalising its procedures, the trial site was well received by Italian poker players, with 30,000 registering in the second month. This enabled Gioco Digitale to build a player base before anyone else had. Moreover, the free-play site illustrated to the Italian authorities that it would be right to allow Gioco Digitale to be the first legal pay-to-play site in Italy, as the technical aspects of the trial met the government’s requirements. Concurring on this point, Gualandri says: “We demonstrated to the government that our software platform was developed in a responsible manner to fit their criteria.”

Gualandri achieved the audacious feat of beating many of the industry’s major operators and networks to be first-to-market in Italy. Nonetheless, he remains humble about his achievements. “For me this could not have been achieved without the flexibility, scalability and robust nature of the software provider. We understand the internet and have been responsible for some of the most recognisable online brands in Italy. Creating a poker site, however, within the restrictions set out by the Italian government and our own peculiar requirements could have been a nightmare! By choosing CyberArts, the process was extraordinarily smooth. And we are very pleased with our status as Italy’s first poker site!”

CyberArts’ Foundation platform enabled Gioco Digitale to achieve its goal. It is the result of over five years spent developing an enterprise class system that is robust and scalable to the load that Gioco Digitale hopes to achieve.

Gualandri says Foundation allowed Gioco Digitale to develop “greater front-end customisation. It was an important factor in helping us establish the online poker market in Italy, as well as to differentiate ourselves before the competitors start nipping at our heels.”

Successful innovation

This innovative approach has helped Gioco Digitale establish its brand and put in place the differentiation characteristics before the competition could market to Italian citizens. In fact, Gioco Digitale enjoyed two months’ exclusivity in Italy before Bwin and Sisal entered in November.

Commenting on Gioco Digitale’s efforts at being unique, Gualandri says: “We had a rich road map of announcements and modifications that needed to be programmed because Italians, whilst curious, are not used to poker in the same way as Americans, Swedish or British are. In the next build, we will add a feature that shows the player how and why a person won. It’s part of the education that, with the help of CyberArts, will make our product stand out.”

The company is converting their free-play users into money players and ramping up marketing to be ready to compete with the networks. The journey for them, however, has been slow and arduous and marked by missed deadlines as they struggled to meet the Italian government’s difficult restrictions.

Gioco Digitale’s passion for technology has provided a unique, customised platform and gave them a crucial head start in a market that will prove tough for others. As online poker competition gathers, it is Gioco Digitale’s fresh attitude that will see it through as not only the first in Italy, but as an innovator, using technology to support its aspirations. Anyone looking to emulate Gioco Digitale in similar jurisdictions will do well to investigate technology platforms that are flexible, customisable and, most importantly, without the restrictions of a network.