

GUIDE



SLAVNA
GAME STUDIO

The Comprehensive Guide To Successful iGaming & Gambling Affiliate Management



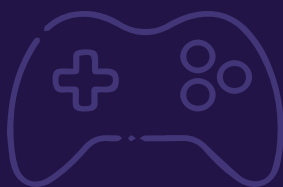
Online casinos and iGaming establishments are a lucrative industry expected to touch \$87.75 billion by 2024. However, the current market landscape in 2021 is best described as a challenging space for operators.

Not only is there a constant strict scan of national regulators in terms of ensuring responsible gambling, AML, robust KYC, and so on, but there is also an intense competition to constantly fight in the space to thrive and grow. In this framework, business acquisition and positive growth for any provider requires consistent and focused marketing efforts.

However, due to the nature of the industry, there are several legal restrictions, including those on employing direct advertising measures such as search engine ads, social media paid ads, and so on. These complexities make the natural case for relying on indirect advertising methods such as affiliate marketing to bring traffic and business to their sites. Engaging content put up by popular influencers works wonders in influencing the masses and helps attain business objectives, making it one of the most popular channels of marketing used in the space.

However, a severe problem that emerges from this affiliate dependence is widespread fraud by several unscrupulous affiliates that cost the businesses a considerable amount of wasted marketing dollars in addition to hefty chargeback fees that they become liable to pay.

This eBook sheds light on how affiliates typically conduct fraud and suggests actionable solutions for gaming operators to safeguard themselves from the risks and create an effective affiliate strategy for business growth.



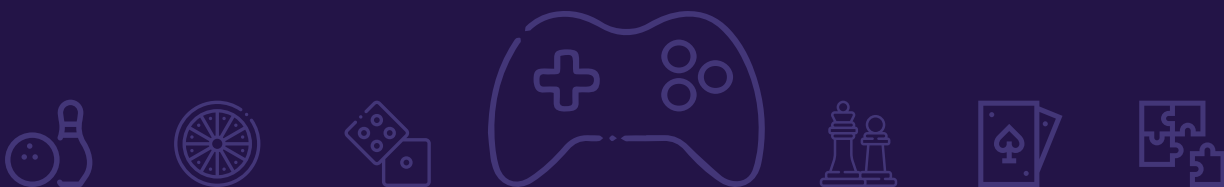
1.0

Overview : Affiliate Fraud in iGaming



The central idea behind any operator hiring affiliates is either generating new genuine leads or converting legitimate sales. Different organizations conduct the arrangement for measuring the same and rewarding affiliates in different ways.

Fraudulent affiliates essentially adapt to the different compensation models based on the Key Performance Indicators (KPI) that indicate their performance. Let's look at it through an example.



1.1

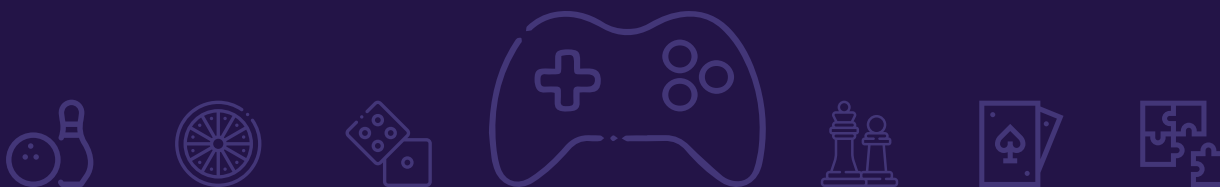
Anatomy of a Typical Fraud – An Example



Consider, for instance, that the KPI that determines the compensation for an affiliate is the number of new user registrations on the gaming site generated by their efforts. Registration requires users to primarily enter personal details such as full name, email address and verifying their age to adhere to the legal requirements while registering on a gaming site.

Fraudulent affiliates employ malpractices such as domain spoofing to drive traffic to the site. Essentially, they create multiple fake landing pages similar to legitimate ones. Users landing on these pages are automatically redirected to the gaming site. Suppose some of them end up signing up, the affiliate benefits proportionally with the corresponding conversions. On the other hand, many unscrupulous affiliates also leverage bots to fill forms at a large scale with low-quality data that they often purchase from the darknet, including their stolen IDs.

As all the leads generated this way are unique with all the due credentials, the affiliate marketer scores a high achievement of the KPI and gets rewarded with handsome payments despite generating inferior quality of leads that are of no business value to the online casino.



1.2

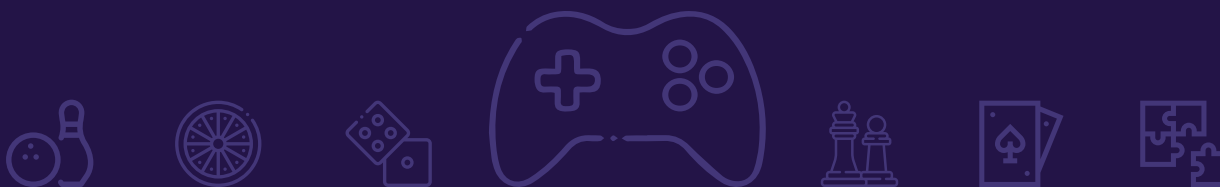
How Affiliates Exploit Payment Models



Under the different payment models, affiliates often adapt to maximize their returns at the cost of the online casino. Some of the common ways employed by them to trick the system include -

COST PER ACQUISITION (CPA)

Here, the affiliate is compensated in proportion to the sales fulfilled through them. To maximize the takeaway, they often use stolen IDs and credit card details to finalize conversion, employing automation to do it at scale. While this measures as generated results, in due time, it often costs gaming providers an additional amount of money in terms of heavy chargeback fees along with wasted marketing budget.



COST PER CLICK (CPC)

In this model, the affiliates are compensated based on the number of clicks received by their ads. In this case, they often automate clicks using bots and find ways to redirect uninterested and unsuspecting users towards the clickable links, thereby tricking the system.

COST PER IMPRESSION (CPM)

Here, affiliates are compensated for every thousand impressions they generate. In this framework, they often cheat the system by creating multiple fake websites and leveraging bots to raise the ad views. They also layer numerous ads on top of each other to pass it off as multiplied count of impressions.

1.3 Bonus Abuse

In addition to tricking the payment model into earning higher compensation by unfair means, many fraudulent affiliates also make more money wrongfully by abusing the different promotional marketing offers run by the online casinos involving promos or bonuses.

Essentially, the affiliates sign up for new users multiple times and target utilizing the no deposit bonuses such as free spins or free cash (multi-accounting). They also use multiple accounts for collusive play methods such as arbitrage or chip dumping to maximize their return unfairly.



2.0

Actionable Ways for Mitigating Affiliate Fraud



Due to the widespread prevalence of fraud, a wide kitty of fraud detection methods and tools have emerged to safeguard the interest of the iGaming service providers. Some of the meaningful ones include -

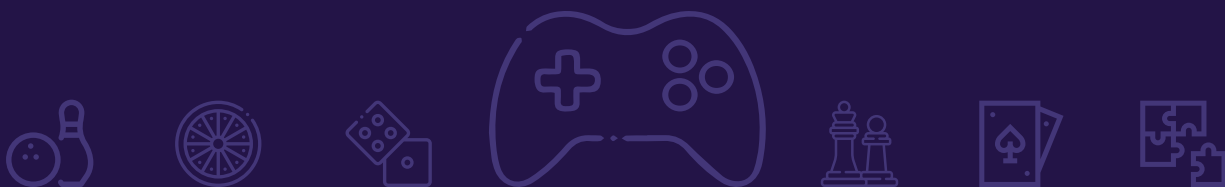
2.1

Implementing Tailored Risk Rules

This method helps measure the quality of traffic brought in by a given affiliate and enables filtering out the good from the bad ones.

It works by noting affiliate IDs and mapping how many users are brought in by them as per their unique ID and what proportion of those end up in approved, reviewed, or declined conversions.

This entire process is automated, making the data generation and analysis agile, simplified, and meaningful.



2.2

Device Fingerprinting

This method is slightly more advanced than simple traffic monitoring and ensures that poor quality traffic is blocked out even before entering the online casino's system. It also works wonders in effectively identifying attempts at double accounting, thereby curbing chances of bonus abuse and even lowering the chargeback rates coming out of frauds committed.

This device-fingerprinting module essentially maps every user's device's software and hardware configuration on the site to identify suspicious activities at the first stage itself. This activity could be using multi-accounting by a fraudster or emulators such as FraudFox, Kameleon, Linken Sphere to abuse the affiliate program.

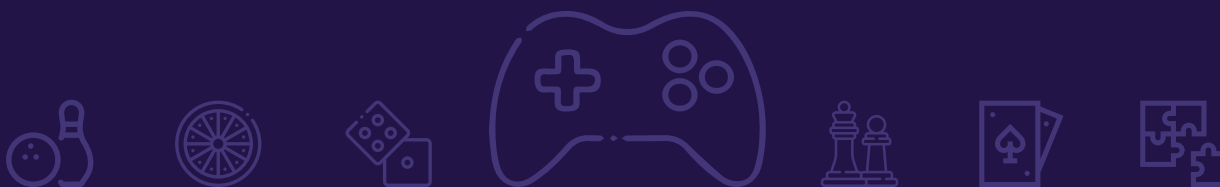
2.3

Implementing Tailored Risk Rules

Another meaningful way to identify and track fraud is carefully observing the site users' behavior via a series of well-thought-out risk rules and identifying anomalies, if any, to detect signs of fraud.

For instance, some pertinent logical factors to keep under the scanner may include –

- 01** Standard IP analysis, or matching of the user's IP address to the card holder's address
- 02** Measuring the number of connection attempts made by the hour
- 03** Monitoring the average time spent to fill out the signup form
- 04** Observing time spent navigating from the conversion page to the checkout page



2.4

Stricter Bonus Payout Rules

Introducing stricter criteria and making it difficult for unscrupulous affiliates to earn additional shares through malpractices can help tangibly curb bonus abuse by fraudsters. Some of the means to that end include -

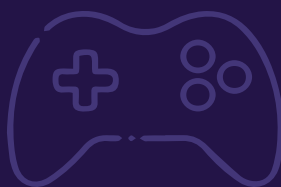
- ✓ Stricter withdrawal and rollover requirements that compel users to play the bonus amount several times before they're able to encash it
- ✓ The reduced payout for bonuses
- ✓ Block out risky geo-locations such as new users from Eastern European regions with a high affinity to bonus hunting.

2.5

Sharing Profit Instead of Revenue



Finally, an effective solution in keeping frauds at bay also lies in compensating the affiliate partner in proportion to the profit and not their revenue. This profit-based model ensures that only genuine affiliates who help the business are rewarded, and it's a win-win for the company and the deserving affiliate partners.



3.0

Successful iGaming & Gambling Management



With all the above being said, the sky can be the limit when it comes to conducting fraud. However, these fraud risks cannot undermine the relevance of having genuine affiliates in growing the business without regulatory restrictions for direct advertising.

Moreover, a good offering of bonuses is also important to stand out in the competitive marketplace in front of new users and acquire them at scale. For online casino and gaming operators, this optimal spot lies in balancing incentives, security, and friction well.

"The best way to go about that is to make onboarding as simple as possible to grow the user base with agility with a combination of light and heavy KYC authentications to limit low-quality data generation and bonus abuse. Moreover, it's imperative to have a proper fraud detection toolkit with a team of well-versed, talented fraud managers who can keep pace with the different evolving fraudulent practices and can curb it in an agile, effortless, and affordable manner."





How Slavna Game Studio Can Help You?

Slavna Studio, a veteran in providing professional and technical services for online gaming and gambling operators, can help you develop a world-class affiliate program. With over 13 years of experience, we understand the importance and necessity of fraud detection tools for the online casino business. We ensure online casinos we develop are compatible and easy to integrate with various affiliate fraud detection tools.

Contact us today to gain a competitive edge and grow your online gaming business

About Us

For more than 10 years, Slavna has been providing professional and technical services for casinos, operators, sports betting companies, and social gaming producers. Our expertise and experience help our clients and partners to gain a competitive edge, efficiency, and grow their business.

Our hassle-free, end to end game development services include 2D & 3D Art design, game development, and deployment. We can also offer life-time support for upgrades. Our team of rare talent works with clients to deliver games in tune with consumer demand and current tech.

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