

Business Case for an interactive content provider

- SVP Advisors assisted an international betting company developing the Business Case for a “real” live interactive football betting application.
- SVP Advisors first assessed and provided inputs on the business model selected for the new application including service provision and access means (TV, smartphones, etc...); potential clients/partners (IPTV, cable and DTH operators, mobile operators, etc...); price and revenue sharing mechanism; and payment methods.
- In a second step, SVP Advisors identified, and subsequently analysed, the national markets showing the greater potential for the application based on the degree of penetration of broadband services, the average spend in football betting and related games, and the status of development of multiservice platforms.
- Finally, SVP Advisors developed a Business Case based on the business model and target markets previously defined. The Business Case produced a full range of economics based on different scenarios of addressable market, service penetration, events covered, average usage and spent, as well as net revenue (fees) for the betting company.

Overview of the key economics of the Business Case – Base Scenario

		Year 1	Year 2	Year 3
Addressable market (Units)	000	4,000.0	4,800.0	5,600.0
Active users	000	86.4	178.6	282.2
Penetration %		2.2%	3.7%	5.0%
Net ARPU (mth)	€	4.7	4.6	4.4
Total net revenue	€ 000	4,915.0	7,282.6	12,048.6
Total recurring costs	€ 000	1,161.7	2,228.1	3,635.1
Total one-off costs	€ 000	798.1	1,040.0	1,388.4
Gross Margin	€ 000	2,955.2	4,014.5	7,025.0
Gross Margin %	%	60%	55%	58%

Note: Figures have been altered for confidentiality reasons