

Betfair – The Need for Speed

Betfair is a global online betting exchange. Unlike a corporate bookmaker, Betfair does not 'hold' its bets, but matches bets between customers who hold opposing views about the outcome of a particular sporting event.

As Betfair does not assume the risk of holding a bet, it can offer very competitive prices to its customers. The service also allows more sophisticated wagers, such as betting that a particular outcome will not happen, (known as 'laying.')

Betfair players can choose the odds they wish to bet at, bet on an outcome while an event is in progress, and manage their position if the odds change.

Behind this flexibility is state-of-the-art computing technology, capable of processing a vast number of transactions at lightning speed. So when Betfair decided to establish a presence in the Australian wagering market, it sought an online payment system that could match its technology, without imposing a charge on customers that would deter them from using the service.

Imperatives

"Betfair's customer base is all about liquidity. Ours is a high volume, high-tech business, with the margin on each transaction being relatively low. In addition, the flexibility of our system means that customers may wish to make a number of fast transactions related to the same event. So, it is very important that the player can move money in and out of Betfair quickly, cheaply and safely."

"In Australia, there are three major ways of moving money online, and none of them suited our business model. Firstly, credit cards offer instant transactions, but are expensive. The total cost to merchant and customer can be 3% of the transaction amount and there are issues around security."

"The second option is bank transfers. These are cheap but can require overnight processing. If, for example, you wish to bet on the outcome of a football match while it is in progress, this method is entirely unsuitable. The third option includes systems such as PayPal. These are instant, but also expensive."

"POLi was the only product that offered the right combination of speed, low cost and security... If you can't offer this, you will be shunned by your customers"

Giles Thompson
Betfair Australia CFO

According to Mr Thompson, POLi™ was the only product that offered the right combination of speed, low cost and security. “We were looking for a system that would fit our business and POLi met all our requirements. It provides instant transactions at a very low cost, and is simple to use.

“Another major factor in choosing POLi was security. It is essential to Betfair that we provide customers with a high degree of comfort in this matter. Both the merchant and the customer must have confidence in the security of the payment system. If you can’t offer this, you will be shunned by your customers.”

Customer response

Mr Thompson said customer feedback to POLi had been very positive. “If our customers elect to use credit cards, they are charged a fee for the transaction. So obviously, they are happy to avoid this fee and POLi allows them to do that.”

“But we are also finding we get a lot of repeat business from customers using POLi. This indicates that once they are accustomed to the system, they are showing a strong preference for it. This is not surprising, when you factor in the cost and security advantages.”

“Of course, POLi is new, so people have to get used to it. But it is very simple to install and use and once people go with it, they accept it very quickly. It’s really just a matter of deciding to use it. The time, cost and security advantages do the rest.”

Working with Centricom

“We have found Centricom very easy to deal with. They are enthusiastic, customer focused and aware that in POLi, they have a very neat system.”

“They can see that POLi makes business easier for a lot of organisations wanting to boost their online sales activity. They are offering instant, low cost, secure transactions. Which business doesn’t want that?”

For more information contact your POLi representative or visit www.paywithpoli.com.