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ment conglomerates. London-based Betfair, the dominant betting exchange and probably the most anticipated public offering in the industry right now, recently partnered in Australia with Kerry Packer's Publishing & Broadcasting Ltd., which owns that continent's largest free TV network.

Democratization

Betfair is not only the most stunningly profitable example of the adaptability of the eBay model to gambling. (A betting exchange is peer-to-peer odds "shopping" and can result in substantial discounts over bookmakers' prices.)

Like eBay it has shown how short the curve to market maturity can be in the remote sector. Betfair shot from the gate following its 2001 merger with rival Flutter.com. In only its fourth year of existence it now controls an estimated 85 percent of the betting exchange market.

And what a market it is. The company is brokering two-way transactions valued at £100 million a week. Munich-based Media & Entertainment

Consulting Network predicts the exchanges will be brokering US\$159 billion a year (£86 billion) by 2008. That's a compound annual growth rate of 179 percent over current levels.

Betfair invests heavily in technology to maintain its lead, about £25 million to date. "It is our competitive advantage," said International PR Manager Hugh Taggart. Up time is critical, as is continual 24-hour turnover. Global expansion, characteristic of the remote markets, is an imperative in the betting exchange model.

Here, too, eBay's success is instructive. Commission-based, dependent on an increasing volume of users, dependent as a consequence on the ability to continually add to the events it can broker, Betfair has been aggressive in Asia, where it butted heads with the powerful Hong Kong Jockey Club; and its bid for licensing in Australia has met with fierce resistance from the bookmaking establishment there. Undaunted, the company has built 10 languages into its site and has registered some 250,000 users in