THE RISE OF AFFILIATES 2.0

Technology, Regulation and the New Marketing Landscape

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Executive Summary

The global iGaming affiliate sector is undergoing a profound transformation driven by regulatory tightening, platform changes, and the rise of AI. Traditional SEO-heavy, arbitrage-driven affiliate models are becoming less effective and more risky amid rising compliance demands and volatile search algorithms.

Key findings of this report include:

- **Decline of Traditional Models:** Classic affiliate approaches centred on search engine optimisation (SEO) and paid traffic arbitrage are delivering diminishing returns. Google's recent algorithm updates have heavily penalised "thin" content and low-quality casino review sites – some affiliates saw traffic plunge by over 50%, with major players reporting double-digit revenue declines as a result[1][2]. Meanwhile, the cost of pay-per-click advertising has risen sharply, eroding arbitrage margins[3]. Regulators and advertising standards bodies have also cracked down on misleading or irresponsible affiliate promotions, increasing the legal and reputational risks for operators and their marketing partners[4][5].

- **Emergence of Affiliates 2.0:** A new affiliate marketing paradigm is taking shape, led by content creators, influencers, streamers, and strategic media partnerships. These "Affiliates 2.0" leverage audience trust and parasocial engagement to drive traffic in ways traditional comparison sites cannot[6][7]. Live streaming on platforms like Twitch and YouTube (and newer platforms such as Kick) has become a prominent acquisition channel, especially for casino and sports betting, engaging viewers with real-time content. Influencer-led campaigns and media tie-ups prioritise brand reach, authenticity and community over simple SEO rankings. This shift is fundamentally redefining how new players are reached and converted.

- **Technology & Data as Differentiators:** Rapid advances in marketing technology are enabling smarter, more efficient affiliate operations. Leading affiliates are deploying artificial intelligence (AI) and automation for content generation, conversion rate optimisation, and player value modelling. AI tools can personalise offers and communications based on real-time user data, and help affiliates identify the highest-LTV (lifetime value) players[8][9]. At the same time, privacy regulations and tracking limitations are forcing a pivot to first-party data and advanced attribution models[10].

- **Rising Importance of Trust and Compliance:** Stricter regulation is reshaping affiliate marketing into a more transparent and accountable enterprise. In the UK and Europe, gambling operators are held jointly responsible for their affiliates' actions, meaning any breach of advertising rules by affiliates can result in penalties for the operator[5]. This has led to industry-wide efforts to professionalise the sector: major affiliate groups have established codes of conduct and trade associations to champion responsible gambling marketing (e.g. the **Responsible Gambling Affiliate Association** formed in 2023)[11][12]. Compliance excellence – once seen as a cost – is now a competitive advantage for affiliates in securing partnerships.

Strategic Implications: At the start of 2026, affiliates, operators and investors must recognise that affiliate marketing is not dying but evolving. Affiliates must adapt their business models, talent and technology to the new landscape or face irrelevance. Operators will need to recalibrate their expectations and due diligence of affiliate partners, focusing on quality and compliance over sheer volume. Investors should balance the significant growth opportunities in new channels against heightened regulatory and platform risks. In summary, long-term success in the affiliates 2.0 era will depend on embracing innovation while upholding the core values of trust, transparency, and player safety.

1. The Affiliate Model in Transition

1.1 The Traditional Affiliate Model

The iGaming affiliate sector has its roots in the early 2000s with websites that acted as digital middlemen - typically SEO-driven portals featuring casino reviews, bonus comparisons, and betting tips. These traditional affiliates built traffic through content marketing and search optimisation, ranking highly on Google for keywords like "best online casino" or "sportsbook reviews." Their business model relied on revenue-sharing deals and finders' fees from operators: common structures included **CPA (Cost Per Acquisition)** payments for each new depositing player, ongoing **Revenue Share** commissions (a percentage of the player's losses or net gaming revenue), or hybrid models combining both.

For many years, this model thrived. Low entry barriers – a two-person team could launch a comparison site – led to a proliferation of affiliate sites, all vying to arbitrage traffic. The playbook was straightforward: produce keyword-rich content, accumulate backlinks, and funnel visitors to operator sign-up pages in exchange for a commission. At its peak, affiliate marketing became one of the primary customer acquisition channels for online casinos and bookmakers, especially as paid advertising on platforms like Google grew more competitive and expensive[3]. A huge share of new players was (and still is) driven by affiliates, with some major operators attributing 15–30% of their new customer acquisitions to this channel.

Revenue Models: The commercial terms between operators and traditional affiliates often incentivised volume over value. Under CPA deals, an affiliate might receive a one-time fee for each player who signs up and meets a deposit or wagering threshold. Revenue share deals, by contrast, aligned the affiliate's earnings with the player's activity.
Many affiliates secured hybrid deals (e.g. a smaller CPA plus a revenue share) to balance immediate cash flow with long-term annuities. Such models could be extremely lucrative if an affiliate ranked well for high-intent search terms: a top position for "online casino bonus" could drive thousands of sign-ups per month. Over time, successful affiliates reinvested in content, SEO and paid media, creating a cycle of arbitrage where the lifetime value of referred players exceeded the upfront cost to acquire them.

Reliance on SEO and Arbitrage: Classic affiliates essentially arbitraged information asymmetries. They capitalised on search engines to capture user intent and then monetised that intent by referring the user to an operator. This meant *reliance on search algorithms* as a primary traffic source. If Google smiled upon an affiliate site, it could enjoy steady "free" traffic and passive income from rev-share deals. Many affiliates also dabbled in PPC advertising (like bidding on sportsbook-related Google keywords or running Facebook ads) to top up traffic – effectively using paid channels to acquire players at one rate and getting paid a higher rate by operators. Email marketing and display advertising were additional tactics, but organic search remained king for most.
Cracks in the Model: In recent years, this traditional model has come under pressure from multiple angles. *Search engine volatility* is a primary factor. Google's core algorithm updates have become more frequent and more sophisticated in weeding out low-quality or deceptive content. Gambling affiliates have been hit disproportionately hard by these

updates[13][14] because gambling is classified by Google as a YMYL ("Your Money or Your Life") topic, meaning it applies the most stringent quality standards. Simple casino review sites with thin content or basic bonus lists that once ranked well have seen their rankings plummet as Google prioritises authoritative content (or sometimes its own aggregated answers). For example, a March 2024 Google update aimed at cutting "low-quality, unoriginal content" led to over 800 websites being deindexed and slashed organic traffic to many affiliate pages[15][16]. Catena Media, one of the largest affiliate groups, reported a 30% drop in revenue year-on-year and a 79% collapse in EBITDA for 2024, largely attributed to these algorithm changes[2]. Such volatility makes an SEO-only strategy far less dependable than it once was.

At the same time, *paid acquisition* for affiliates has become more challenging. Gambling-related keywords in Google Ads are tightly regulated and expensive, compressing margins for affiliates who buy traffic. Social media platforms have also imposed restrictions on gambling ads, and those that allow them (like Facebook/Instagram with proper targeting and disclaimers) tend to favour direct advertisers over affiliates. In short, the arbitrage game is not as easy as it was a decade ago - the low-hanging fruit of SEO has been pruned by Google's quality crackdown, and buying media leaves affiliates competing against the deep pockets of operators' in-house marketing teams.

Regulatory Scrutiny: Another pressure point has been the growing scrutiny from regulators and advertising standards bodies. Historically, affiliates operated in a grey area – they weren't licensed gambling operators, and many of them were not directly regulated. But as the sector matured, regulators realised that affiliates could not be a loophole to avoid advertising rules. Notably, in the UK around 2017, there were high-profile incidents where affiliate marketing caused regulatory backlashes. Sky Betting & Gaming famously shut down its "Affiliate Hub" programme in 2017, citing an "increasingly tough regulatory landscape" and the risk from being unable to fully control affiliate outputs[17]. This followed revelations that some third-party tipster affiliates were behaving irresponsibly – for instance, deliberately encouraging losing bets to maximise their commissions[18]. The UK Gambling Commission made clear that licensed operators would be held accountable for the actions of their affiliates as if those ads were their own. Consequently, many operators imposed stricter oversight or even culled their affiliate partners, especially those using rogue tactics. The UK's Advertising Standards Authority (ASA) also upheld a series of complaints in 2017–2021 against operators whose affiliates ran misleading ads (such as fake news stories about gambling winnings or "time-limited" bonus offers that weren't genuinely time-limited)[19][20]. In each case, the ASA ruled the operator was responsible for the affiliate's content, regardless of whether the operator approved it, sending a clear signal that "the buck stops" with the licensed brand[20][21].

1.2 Key Forces Driving Change

Several macro forces are accelerating the transition of the affiliate model. Chief among them are tightening advertising regulations, seismic shifts in digital platforms, changing consumer behaviour, and operators' shifting priorities. Together, these forces are reshaping the environment in which affiliates operate:

Regulatory Restrictions on Advertising: Around the world, gambling advertising is facing stronger constraints, which in turn affects affiliates. In mature markets like the UK, authorities have introduced tougher rules on how betting can be promoted – with a focus on protecting vulnerable groups and ensuring marketing is not misleading or socially irresponsible. The ASA and the UK Gambling Commission have made it abundantly clear that affiliates must toe the same line as operators in adhering to advertising codes. Breaches have led to ads being banned and negative publicity. The ASA has also emphasised disclosure: affiliate content (especially by influencers) must be clearly labelled as advertising, using obvious identifiers like “#Ad”.[22][5].

Internationally, many countries are following a similar path. Spain and Italy introduced strict rules on gambling ads (Italy outright banned most gambling advertising in 2019, severely limiting affiliate activities). Australia prohibits any inducements (bonus offers) from being advertised by affiliates. Across several US states that have legalised online betting, regulators require affiliates to register or obtain licenses and adhere to state advertising regulations, or else face penalties[23]. The direction of travel is clear: **the free-for-all era of affiliate advertising is ending.**

Platform Changes – Search Engines: Google, the gatekeeper of online information, has introduced changes that directly undermine the classic affiliate playbook. Apart from algorithm updates favouring content quality and **E-E-A-T (Experience, Expertise, Authoritativeness, Trustworthiness)** as discussed, Google is also changing how search results are presented. One major development is the integration of AI-driven summaries in search (Google’s Search Generative Experience, and similarly Bing’s AI answers). These AI overviews attempt to answer user queries directly on the results page by synthesising information from various sources[24][25]. For example, a user searching “best online casinos 2025” might be presented with a generative AI summary listing top casinos and their features – without ever clicking through to an affiliate site. Crucially, these AI snippets do **not** include affiliate referral links[26]. They often prioritise information from high-authority sites and can effectively cut affiliates out of the loop. As this technology improves, the traditional SEO affiliate model – which depends on users clicking on search results – is threatened by a potential *zero-click future* where the search engine itself tries to satisfy the query.

Beyond AI, Google has been populating result pages with more direct answer boxes, knowledge panels, and its own comparison widgets. For sports betting queries, users might see live odds or scores (supplied via Google’s data partners) ahead of any organic results. For casino reviews, Google might highlight licensed operator sites or aggregate user reviews (e.g. via Trustpilot or similar), again pushing affiliate pages further down.

Platform Changes – Social Media and Content Consumption: Concurrently, social media platforms have captured a massive share of consumer attention, changing how people discover gambling content. Younger demographics, in particular, are less likely to find a betting site via a Google search and more likely to encounter it through social feeds, YouTube videos, or streaming platforms. TikTok, for instance, has become a de facto search engine for Gen Z for all sorts of advice and recommendations (though direct gambling promotion on TikTok is restricted, some content creators still discuss betting tips in subtle ways). YouTube and Twitch have large communities around poker, casino streaming, and sports betting discussions. This **social platform dominance** means affiliates who purely rely on text-based web content are missing out on where a lot of the audience's attention has shifted.

However, the rules on these platforms are evolving too. Facebook/Instagram allow gambling advertising only if targeting is strictly 18+ and within regulated markets; ads must not be "socially irresponsible". After some notorious incidents of underage viewers being exposed to gambling streams, Twitch banned the promotion of unlicensed gambling sites in late 2022 and further tightened its policies in 2023[28][29]. Twitch's decision drove many casino streamers to alternative platforms like **Kick**, which was launched with more permissive rules. But even Kick, under pressure, introduced measures in 2024 to require that any gambling streams only feature operators who implement robust age verification for viewers[30][31]. By February 2025, Kick planned to block streams from casinos that don't verify users' age and location, effectively pushing streamers to only showcase compliant brands[32]. These developments illustrate that while new channels are emerging, they are rapidly being brought into the regulatory fold as well.

Changing Consumer Behaviour: Modern consumers expect engaging, authentic content. The era of static websites with top-10 lists is giving way to dynamic, personality-driven media. People tend to trust influencers or community recommendations more than faceless review sites. The rise of the creator economy means there's a vast pool of content creators whose followers might be potential gamblers. This shifts the competitive landscape – affiliates now vie not just with each other on Google, but with any influencer who can monetise their audience via gambling sponsorships or referral codes. Moreover, attention spans have shortened; bite-sized video content often trumps long-form articles for engagement. As one industry observer noted, "long-form written content... has taken a backseat" except for the most dedicated enthusiasts[33], and snappy, visual content is "king" for capturing the new generation[34]. Affiliates that cannot produce compelling multimedia content risk losing relevance.

Operator Focus on Brand-Safe, Compliant Channels: Lastly, operators themselves have become much more discerning about where their customers come from. The days of "any traffic is good traffic" are over - partly due to regulatory accountability and partly due to a strategic emphasis on player quality. Most tier-one operators in regulated markets now have dedicated affiliate compliance teams and strict contracts. They vet affiliates for any red-flag behaviour. If an affiliate breaches guidelines, operators may invoke "one strike" policies, suspending partnerships immediately[35]. The reputational risk for operators working with rogue affiliates is too high: no brand wants to be in headlines because an affiliate ran an irresponsible ad featuring their logo.

Furthermore, operators are shifting towards **sustainable acquisition**. This means evaluating affiliates not just on volume of sign-ups, but on the true value and conduct of those players. Are they retaining well? Are they gambling within responsible limits? Affiliates historically were paid mostly on quantity (CPAs per head), but operators are increasingly interested in *quality metrics* – such as the average revenue per user, churn rates, or incidence of problematic play–by–source. Some operators have even reduced reliance on affiliates, reallocating budget to channels like direct media buys or in-house content, where they have more control.

In summary, the affiliate landscape is being redefined by external pressures. Advertising and platform rules are narrowing what affiliates can do and how they can do it, while technology and behaviour shifts are rendering old tactics less effective. Affiliates that adapt by diversifying traffic sources, investing in genuine content quality, and embedding compliance into their DNA will find opportunities in this change.

Tom Galanis
CEO
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First look Games

1. **What has changed most fundamentally in the affiliate landscape over the past two years?**

The Search playing field! Affiliates can no longer find a safe space when it comes to SEO. A nasty perfect storm of the advent of AI Overviews, some brutal and inconsistent core updates and the power play of highly rogue, but highly effective & persistent parasite SEO has seen the majority of traditionally strong affiliate portals drop significant traffic. This fundamentally means that affiliates can no longer control their own destiny in the way they have done for 20 years and there is no easy fix with further punches on their way as regulation tightens - meaning less wriggle room to invest in pivot moves from both a time and money perspective.

2. **Which traditional affiliate practices are no longer sustainable, and why?**

Thin comparison sites and pure CPA arbitrage models are increasingly unsustainable. They're exposed on three fronts - platform risk, regulatory risk and especially commercial risk. Google updates and shifts towards increased prevalence of AI search - both on and beyond Google - are eroding visibility, even of high ranking SERPs results. As regulation deepens its reach, we are seeing ever-increasingly tighter requirements around messaging and accountability and operators are far less willing to tolerate lesser quality content farms or engage with the more opaque traffic sources that have previously thrived. You cannot now rely on pure volume at the expense of fully embracing compliance requirements. It can work short-term, but if you exist in the regulated landscape, you will not sustain premium commercial partnerships or attract investment, unless you embrace channel differentiation and strong governance.

3. **How has regulation altered the relationship between affiliates and operators?**

Regulation brings about the need for tighter operator control. In the UK over the past 10 years, this has taken the form of stricter compliance, the reduction or total closure of affiliate relationships and even affiliate programmes. For those remaining, the overriding impact has been a shift towards more transactional relationships rather than deep commercial partnerships. Arguably, recent regulation ought to require a reemergence of those deep commercial partnerships as both affiliate and operator establish ways and means to eek more shared margin - I fear the reality will be many operators leaning further towards stricter, short-term value transactions.

2. Regulation and Compliance as Structural Drivers

Regulation has moved from the background to the foreground in the affiliate industry. What was once a largely unregulated sector now finds itself entwined in a web of gambling laws, advertising standards, and licensing regimes. Compliance is no longer just a box to tick; it has become a structural force driving consolidation and professionalisation in the affiliate space. This section examines how regulatory developments in 2024–2025 are reshaping affiliate marketing, and how leading affiliates are turning compliance into a competitive differentiator.

2.1 Advertising and Marketing Restrictions

In the mid-2010s, affiliates operated with relative freedom in how they promoted gambling, but regulators have since closed that gap. By 2025-2026, numerous jurisdictions have implemented stricter rules on gambling advertising, and affiliates must abide by them just as operators do.

United Kingdom: The UK remains one of the most tightly regulated markets for gambling advertising, and by extension, affiliate marketing. The UK Gambling Commission (UKGC) has made it explicit that operators are accountable for the marketing practices of their affiliates. This principle was strongly enforced following incidents in 2017 where affiliates published misleading "fake news" style ads – the operators (Casumo, 888, Sky Vegas, Ladbroke,s among them) were named and shamed in ASA rulings despite their claims that rogue affiliates acted without sign-off[36][37]. In response, UK operators dramatically tightened affiliate oversight.

As of 2024, the ASA's guidance on affiliate marketing is crystal clear: any content containing an affiliate link **is considered advertising** and must be obviously identifiable as such[38][5]. It is not a valid defence for an operator or affiliate to say that an affiliate-produced piece was "editorial" if it can result in financial gain through a link. Both the affiliate and the brand whose products are linked are held **jointly responsible** under the CAP Code[5]. For instance, even if an operator had no direct control or even prior knowledge of a particular influencer's post with an affiliate link, the ASA would still consider the operator responsible if that post broke the rules[39][40]. Recent ASA enforcement has targeted social media, noting that many influencers failed to disclose affiliate ads properly. In one 2024 enforcement sweep, the ASA upheld complaints against several Instagram posts that included gambling affiliate links without adequate "#Ad" labelling, ruling them in breach of transparency requirements[41]. The message is clear: hiding the commercial nature of affiliate content is unacceptable.

Moreover, UK rules prohibit certain content outright, regardless of disclosure. Affiliates must not target under-18s - no placement of gambling ads in mediums or around content with significant youth appeal, no featuring of celebrities or sportspeople who are or appear to be under 25 in gambling promos, etc. The ASA has even banned ads where affiliates inadvertently showed gambling banners on webpages likely to be of interest to minors. [42]. Affiliates have to use age-gating tools and careful media buying to avoid such mishaps. The UKGC has also warned operators to ensure affiliates do not offer unauthorised incentives.

Europe: Across Europe, similar trends are evident. In markets like Sweden and the Netherlands, regulators have introduced registration or certification for affiliates. The Netherlands' regulator (KSA) requires that any marketing be directed only to Dutch-licensed operators, and affiliates are effectively monitored for compliance with local advertising rules[43]. Spain's Royal Decree on advertising (2021) severely restricts marketing of gambling – only allowed in certain late-night hours for broadcast, and with strict content rules – which indirectly pushes affiliates to adapt or focus on SEO content rather than obvious "ads." Italy's blanket ban on gambling ads meant affiliates had to either pivot to other markets or shift to content that's more informational. Germany's new gambling treaty prohibits online casino advertising on certain channels and requires prominent responsible gambling messaging - affiliates serving Germany have had to include exhaustive disclaimers and ensure no promotional language that contravenes the GlüStV rules.

Importantly, in many European countries, self-regulatory bodies and consumer protection agencies have started to treat affiliate websites as they would any advertising platform. Misleading claims like "risk-free gambling" or overstating bonus offers can lead to sanctions.

North America: In the United States and Canada, the rapid expansion of legal online betting has brought affiliates into the regulatory spotlight. Many U.S. states require affiliates to register as vendors or obtain a form of licensure if they receive commission based on player activity. For instance, New Jersey and Pennsylvania mandate that marketing affiliates register and comply with the same advertising guidelines as the operators, under the oversight of the gaming control boards[44]. In New Jersey, affiliates have to be certified as a "registered vendor" and agree to abide by state regulations – failing to do so can jeopardise an operator's licence. The American Gaming Association's advertising code (adopted in 2019 and updated) also applies to "affiliate publishers" and emphasises preventing targeting underage audiences and including responsible gambling messaging.

Canada's Ontario province, which launched legal iGaming in 2022, explicitly required that any affiliate promoting operators in the province must register with the Alcohol and Gaming Commission of Ontario (AGCO) unless they are under the direct control of a registered operator. The AGCO has issued guidelines that affiliates should avoid content that glamorises gambling or misrepresents odds.

2.2 Licensing, Registration, and Oversight

One of the most significant shifts in recent years is the move toward formal regulation of affiliates themselves, rather than just the ads they produce. Regulators are increasingly introducing licensing or registration regimes for affiliate marketers, effectively raising barriers to entry and favouring those with the scale and professionalism to meet regulatory requirements.

Formal Affiliate Program Accreditation: In the UK, there is no standalone "affiliate licence" yet, but the UKGC has hinted at considering more direct oversight. Instead, the onus remains on operators to enforce compliance via contracts. However, some UK affiliates voluntarily came together to form the **Responsible Affiliates in Gambling (RAiG)** association in 2019, which even proposed the idea of a kitemark or some certification for affiliates that meet higher standards. While this isn't a formal licence, it shows an industry trend toward pre-vetting and accreditation.

In markets like **Sweden**, the gambling law that came into force in 2019 requires that all advertising, even if by affiliates, must comply, and the regulator Spelinspektionen has not hesitated to warn or penalise operators for affiliate missteps. There was discussion in Sweden about requiring affiliate marketing partners to be registered with the regulator, although as of 2026, a formal registry doesn't exist.

United States: Several states require licensing of "marketing affiliates" akin to how suppliers are licensed. For example, *Indiana* and *Michigan* classify affiliates who earn revenue share as "ancillary suppliers" that must be licensed by the gaming commission. *New Jersey* requires either registration or licensure, depending on the compensation model (CPA vs rev share) – rev share affiliates are often treated as requiring a higher level of scrutiny since they participate in the revenue of gambling operations. This means background checks and suitability checks on significant affiliate owners, much as a casino vendor would undergo. *Ontario, Canada,* similarly mandates registration of any supplier, including marketing ones. These processes involve fees, disclosure of company officers, and sometimes even financial audits or responsible gambling training. The effect is to weed out fly-by-night operators; a small affiliate who cannot afford the time or cost of licensing (which can run into thousands of dollars per jurisdiction) might simply not operate in those markets, leaving the field to larger, well-capitalised firms.

Other Jurisdictions: In some parts of Europe, we see analogous steps: *Romania* requires affiliates to register and pay a fee to the regulator in order to legally promote licensed sites. *Italy*, while it banned advertising, previously had a list of approved affiliate publishers. *Denmark* doesn't license affiliates, but its regulator has taken direct action against affiliates offering play-for-free casino demos (considering it advertising of gambling to minors)[46].

Implications of Licensing: Licensing and registration raise the bar in terms of **operational rigour**. Affiliates may need to appoint compliance officers, keep records of their marketing materials, and be prepared for audits. In jurisdictions with affiliate licensing, regulatory oversight can extend to checking how affiliates target their advertising, what claims they make, and even how they handle customer data. The upside for those who obtain licences is that they gain a level of legitimacy and exclusivity – operators in those markets will only work with licensed affiliates, so the pool of competition shrinks. The downside for smaller affiliates is obvious: it is a burden that many independent webmasters or small media owners might not want to, or be able to, bear.

We are also seeing **commercial pressure for oversight**: Many operators now maintain an approved list of affiliates and require any prospective partner to undergo checks. Some will only pay into verified bank accounts of companies, not individuals, ensuring tax and legal compliance.

Barrier to Entry & Professionalisation: As a result, the affiliate industry is consolidating towards more professional outfits. The days of anonymous webmasters running a string of casino sites from a bedroom are waning, at least in regulated markets. We are seeing affiliates hire dedicated legal and compliance teams. Larger firms like Better Collective and Gambling.com Group publish annual compliance statements and invest heavily in ensuring their processes meet various jurisdictions' requirements[47][48]. They can absorb the costs of licensing and even influence the shaping of regulations through advocacy.

In summary, formal oversight via licensing/registration is reshaping the affiliate landscape into a more mature, accountable industry. Those who embrace and excel at compliance find themselves with fewer competitors and more stable partnerships. Those who cannot are gradually squeezed out or limited to unregulated markets.

2.3 Compliance as Competitive Advantage

Amid this tightening environment, a notable trend is that the savviest affiliates are no longer viewing compliance as just an obligation or cost; they are leveraging it as a **selling point** in their commercial strategy. In other words, being demonstrably compliant, responsible, and transparent has become a way for affiliates to differentiate themselves and secure better deals with operators.

Leading by Example: Several leading affiliate companies have proactively invested in safer gambling and compliance initiatives. For instance, Better Collective co-founded the **Responsible Affiliates in Gambling (RAiG)** in 2019 and, more recently, in 2023, joined forces with peers like Catena Media, Gambling.com Group, Oddschecker, etc., to launch the **Responsible Gambling Affiliate Association (RGAA)** in the US[12][49]. The RGAA's mission is to set high standards in advertising practices and to "champion responsible gambling marketing" across the industry[50]. Such collective initiatives send a clear message: affiliates want a seat at the table in discussions about regulatory policy, and they want to be seen as part of the solution, not the problem.

Members of these groups often adhere to codes of conduct that exceed legal minimums. For example, RAiG introduced annual third-party audits of its members' compliance with advertising codes. Affiliates who pass can showcase that to operators. Gambling.com Group's CEO has publicly emphasised that high standards among affiliates "ensure the voice and message of the affiliate marketing community is heard loud and clear" in the US[48] – implying that by self-regulating and acting responsibly, affiliates can maintain the trust of regulators and continue to play a key role in the market's growth.

Transparency and Trust: Some affiliates have begun to foreground transparency as a value proposition to players as well. They publish clear information about how they make money, which helps build credibility with readers and regulators. In markets like the UK, the Competition and Markets Authority (CMA) pushed for transparency in gambling promotions; compliant affiliates now plainly list terms and conditions and avoid misleading "UP TO £1000 FREE!" headlines that omit crucial strings attached. Those affiliates that take the extra step to ensure every claim is substantiated and every advertisement is clearly labelled are, in turn, favoured by operators who need to worry less about receiving an ASA complaint linked to that partner.

Responsible Gambling Alignment: Affiliates are increasingly weaving responsible gambling (RG) messaging and tools into their platforms. Better Collective has even invested in Mindway AI – a tech company focused on detecting problem gambling behaviour – as part of its commitment to safer gambling innovation[51]. By showcasing an active role in promoting RG, affiliates strengthen their case to regulators that they are aligned with consumer protection objectives, potentially softening attitudes towards the affiliate model.

Differentiating to Operators: From the operator's perspective, working with affiliates who are low-risk and high-integrity is extremely attractive. Operators have faced multi-million-pound fines for marketing failings – they want partners who won't land them in hot water. As such, affiliates who have never had an ASA ruling against them, who have ISO-certified data security, who conduct regular training on advertising codes for their staff, etc., use these as selling points.

Compliance Tech and Monitoring: A cottage industry of compliance technology has also emerged to support affiliates. Tools like Rightlander scan the internet for affiliate content and flag any potential code breaches (e.g. missing risk warnings, expired bonus terms still being advertised). Many top affiliates subscribe to such services or develop their own internal tools, ensuring that they catch and correct issues before regulators do. Embracing such technology and being able to show operators that "we have automated compliance monitoring in place" can win trust and act as a competitive edge when negotiating partnerships or commission rates.

In essence, a virtuous circle is forming: robust compliance leads to stronger relationships with regulators and operators, which leads to more sustainable business, which in turn benefits those affiliates who invest in compliance. We are moving into an era where, rather than trying to fly under the radar, the most successful affiliates are those who actively demonstrate **above-board practices** and align themselves with the long-term sustainability of the gambling industry.

Martyn Hannah
Co-Founder & MD
Comparasino

1. **How has regulation altered the relationship between affiliates and operators?**

   It's brought us closer together. In markets like the UK where the Remote Gaming Duty is set to increase to 40% for online casino operators, being able to acquire players at scale for a viable ROI has become more important than ever. And affiliates are a highly effective channel for this. What I would say is there's been a marked shift towards quality of partnerships rather than quantity of partnerships, with both affiliates and operators closely vetting those they work with. We often turn down brands because they aren't the right fit for our players, so there's no point in listing them on Comparasino. Instead, we work with a select number of operators and brands we know will deliver for both parties.

2. **What does a "best-in-class" affiliate look like?**

   It's one that helps players to find the online casinos and bonuses that match their preferences, especially when it comes to bonuses, payments, minimum deposits and game providers. This also benefits operators, as the players who do sign up to their brands are of high quality and stick around, and this in turn benefits affiliates. At Comparasino, we are also establishing ourselves as a brand, and one that players can trust - we only work with online casinos that hold an active licence from the UK Gambling Commission, and use this to foster real trust with our players and members.

3. **Looking ahead to 2026 and beyond, what capability or strategy will most clearly separate winners from losers?**

   Those that genuinely help players find licensed online casinos that match their preferences. Those that can do this via a brand that has strong and clear values that resonate with players, and with a product that makes it easier for them to find matching brands and bonuses, will emerge victorious in this new era for online casino comparison sites. The tactics used for driving brand awareness, across SEO, paid media and beyond, will also be a major factor to success, but this is an area where I will be keeping my cards very close to my chest.

3. The Emergence of Affiliates 2.0

As traditional channels face saturation and regulation, a new breed of affiliate marketing is coming to the fore - what we might call *Affiliates 2.0*. This new model is characterised by the use of influencers and content creators, the explosion of live streaming as an acquisition channel, and hybrid partnerships with mainstream media and brands. Affiliates 2.0 leverage personality, trust, and multimedia content to engage audiences. In doing so, they often reach demographics and employ formats that classic SEO affiliates could not. However, these new approaches bring their own challenges in terms of scalability and compliance. This section explores the key facets of Affiliates 2.0 and how they are redefining the marketing landscape.

3.1 Influencer-Led and Creator Marketing

One of the most noteworthy shifts in recent years is the rise of **influencers, streamers, and content creators** as affiliate marketers in the iGaming space. No longer confined to written reviews and comparison tables, affiliate marketing now extends to YouTube channels analysing betting tips, Twitch streamers playing slots in real time, TikTok personalities sharing sports picks, and Instagram accounts showcasing casino lifestyle imagery – all monetised through affiliate deals or sponsorships.

Parasocial Trust and Engagement: Influencer-led marketing capitalises on the deep trust and rapport that creators build with their audiences. Followers often regard these personalities as peers or friends, and thus recommendations coming from them can carry far more weight than a generic banner ad or anonymous website. In gambling, where trust is a critical factor, an influencer's endorsement can significantly lower barriers. Creators often share personal stories or demonstrate gameplay, which adds authenticity. According to industry commentary, consumers today place more faith in content creator recommendations than in traditional advertising[6]. This perceived honesty makes influencer promotions particularly potent.

We have seen cases were gambling influencers shape player preferences. One cited example is how streamers drove interest towards specific game types like "crash" games – their enthusiastic play and demonstration introduced these games to audiences in a way affiliate sites alone never did[52]. Influencers can essentially create trends in gambling: if a famous streamer starts playing a particular slot or using a certain casino, thousands of their followers might flock to do the same.

Scale and Community: Influencers can reach massive scale – top gambling-related streamers on Twitch, such as those streaming slots, have pulled in tens of millions of hours of watch time[53]. Trainwreckstv, for instance, logged about 21.7 million hours watched in Q2 2022 on his slots streams[54], an audience engagement metric unheard of for any single affiliate website. Moreover, these audiences aren't just passively clicking; they form communities (Discord groups, live chat followings) around the influencer's content. This community aspect fosters engagement and loyalty that can result in higher conversion rates: fans are eager to use "the same site" their favourite streamer is on, sometimes even to gamble alongside them during live streams (some streams allow viewers to join games or tournaments via the affiliate link).

Case Studies: We can illustrate the impact with a real-world case. The casino streaming phenomenon on Twitch was spearheaded by personalities like Roshtein and Trainwreckstv, who would play high-stakes slots live. They often had affiliate or sponsorship deals with crypto-casinos like Stake.com. At its peak in 2021–2022, the "Slots" category on Twitch was among the top 10 most-watched categories, with hundreds of thousands of viewers at times[55][56]. These streamers, by showcasing dramatic wins (and losses) and giving away promo codes, drove large numbers of sign-ups. Another example is in sports betting: numerous sports YouTubers and Twitter personas now provide betting tips ("#Ad" marked) and include affiliate links to bookmakers. A UK-based football influencer might post an accumulator bet of the week to their 100k Twitter followers with a signup link – leveraging their football analysis credibility to bring fans to a betting platform.

Regulatory Challenges: The influencer marketing trend, however, raises new compliance questions. Unlike static affiliate content that can be pre-vetted, live or semi-live content is dynamic. Ensuring that an influencer's output stays within advertising rules is tricky, especially when they are engaging off-script with audiences. Regulators worry about undisclosed advertising and the appeal of such content to minors. For instance, a 21-year-old Twitch streamer might have a predominantly young audience; even if they age-gate their channel, how effective is that in practice? There have been calls in the UK to treat any gambling content by influencers as advertising that must be restricted from under-18s entirely. GambleAware, a leading UK charity, in a 2025 report, urged lawmakers to consider a ban on influencers, celebrities, and tipsters in gambling marketing, out of concern for youth exposure[57]. They cited the normalisation of gambling to children on social media as a key issue[58][59].

Disclosure is another area: Many countries require that if a social media post or video is sponsored or contains affiliate promotion, it must be clearly marked (e.g. YouTube's built-in "includes paid promotion" tag, or hashtags like #Ad on Twitter). Ensuring influencers comply has proven spotty – numerous ASA rulings in 2023 dinged influencers for not adequately disclosing affiliate ads for gambling operators[60]. This has pushed affiliates and operators to explicitly instruct and contractually bind their influencers to follow guidelines (often including giving the operator veto power over content).

Additionally, controlling the messaging is a challenge. Influencers might, in their enthusiasm, make exaggerated claims which would breach advertising rules against misleading or encouraging irresponsible gambling. Affiliates partnering with influencer streamers have to educate them on what they can or cannot say. Some affiliates now provide pre-approved scripts or talking points to influencers to avoid regulatory infractions.

Age-Gating and Moderation: Platforms have responded by introducing features to mitigate risks. As mentioned, Twitch instituted bans on certain content, and Kick implemented mandatory ID verification for gambling stream viewers[30]. These measures aim to ensure underage individuals can't easily access live gambling content. Affiliates working with streaming platforms must integrate these controls - for example, using platform tools to restrict who can view a gambling stream or story. Facebook's policies require gambling advertisers (including affiliate ads) to target 25+ as the minimum age in certain jurisdictions, to provide an extra buffer above 18[57].

In spite of these challenges, the genie is out of the bottle: influencer and creator marketing has firmly embedded itself in the affiliate strategy of many operators. Affiliates 2.0 that cultivate networks of influencers or even turn themselves into influencers are gaining an edge in audience acquisition. We expect this trend to grow, as younger audiences remain more reachable through personalities than through Google searches. The key will be managing the compliance side - balancing the authentic, free-wheeling style that makes influencers effective with the disciplined messaging required in a regulated industry.

3.2 Streaming and Live-First Acquisition

Closely related to influencer marketing, but deserving separate focus, is the boom in **live streaming as a gambling acquisition channel**. In Affiliates 2.0, *live-first* strategies – prioritising real-time content – have become a primary way to engage potential players. This goes beyond individual influencers and speaks to a broader shift: many operators and affiliate marketers are effectively turning into media broadcasters.

The Allure of Live Casino Streams: Live streaming offers a visceral, exciting experience that static content can't match. Watching someone play roulette or a slot machine in real-time, with genuine reactions to wins and losses, can be highly entertaining. Viewers often report that it's the thrill and suspense of the live moment that draws them in. Moreover, live chat alongside streams creates a communal viewing experience; viewers discuss the game, share in the streamer's ups and downs, and sometimes even influence the play (some streamers take suggestions from the chat on what game to try next or how much to bet). All this can induce viewers to try the game themselves – especially if the streamer provides an easy link to join.

From an affiliate's perspective, a viewer who clicks through during a stream is likely highly motivated. The conversion rates on live traffic can be strong. Some affiliates have reported that traffic from live streams or live content channels has double the deposit rate compared to traditional blog traffic, likely due to the immediacy and persuasion factor of seeing the product in action.

Unit Economics: However, scaling live streaming is not as straightforward as scaling web content. A top streamer can only run so many hours of content, and there are only so many top streamers. The "unit economics" of acquiring users via streaming often involve high upfront costs. Many streamers enter into sponsorship deals rather than pure affiliate commissions. The budgets can be eye-watering, essentially turning some successful streamers into highly paid brand ambassadors. For affiliates operating their own streams, the cost is in production – they may gamble with their own funds on a stream to showcase play.

Because one streamer equals one content output, scaling means either streaming longer or recruiting more streamers. We've seen the rise of *affiliate stream networks* – akin to talent agencies. These networks sign multiple micro-influencers or streamers under an umbrella, provide them with tech and financial support, and in return share in the affiliate revenues. This approach can amplify reach, but managing a roster of streamers can be complex.

Scalability Constraints: In comparison to SEO or PPC (where you can increase budget or create more pages to scale up), live streaming is constrained by audience attention and the number of charismatic personalities available. Only so many people can attract a large live audience. And unlike on-demand content, live content competes for attention in real-time – two streamers airing at the same slot might split the viewership. So there's a natural ceiling to how many concurrent big streams can succeed.

Regulatory Exposure: Live content is also riskier from a compliance perspective. A streamer might, in the heat of the moment, say or do something that violates rules (e.g. swearing that could be considered offensive, or making an offhand remark like "this game is a sure win" which regulators might view as irresponsible). Unlike pre-recorded content, you can't fully control live utterances, though a short broadcast delay can allow moderators to cut off the feed in extreme cases. Regulators and platforms are especially concerned about **underage viewers** for live gambling content. Twitch's crackdown in 2022 was largely in response to public outcry about teenagers watching crypto-casino streams. Even with age gates, it's not foolproof. The UK's ASA has warned that streaming gambling content on platforms with a significant minor user base, even with precautions, could be problematic.

Another issue is the **promotion of unlicensed operators**. Many early Twitch casino streams were tied to offshore crypto casinos not regulated in viewers' home countries. This triggered backlash and policy changes on Twitch. Now, a streamer restricted to showing only locally licensed brands might have fewer enticing offers or games to display (because licensed sites often have more rules about bet sizes or game speed). But if they stray and show an unlicensed site, both the streamer and any affiliate backing them run the risk of regulatory enforcement. In places like the UK, even advertising an unlicensed gambling site is illegal, so an affiliate doing that via a streamer could face serious consequences.

The Kick Platform and Evolution: The emergence of Kick (co-founded by Stake's owners) shows how the industry has tried to create a streaming haven for gambling content. Kick actively courted gambling streamers after Twitch's partial ban, offering them more revenue share and freedom. Yet, as we noted, even Kick started to impose rules by late 2024, like only allowing streams of casinos that verify user age (which in practice favours Stake itself, since Stake can implement those checks)[30][61]. The Kick case underscores a point: if mainstream platforms restrict gambling content, the industry will seek alternatives – but those alternatives eventually face the same societal and regulatory pressures to implement safeguards. Streamers on Kick have complained that new rules (like deprioritising streams not tied to Kick's backers) stifle their reach[62], which suggests that even on a "friendly" platform, there are centralised decisions affecting affiliate streamers' success.

In conclusion, streaming and live-first acquisition are powerful but double-edged. They deliver engagement and can reach audiences that static content might never capture, but they come with high execution costs and oversight challenges. Affiliates 2.0 venturing into live content must effectively become media producers and compliance experts simultaneously. Those who succeed are often richly rewarded with strong community loyalty and high player values; those who slip up may find themselves swiftly under regulatory scrutiny or losing platform access. The live content space will likely continue to grow, especially as technology (perhaps VR or interactive streaming) adds new dimensions, but it will do so under the increasingly watchful eye of regulators and platform policies.

3.3 Media Partnerships and Hybrid Models

Another hallmark of the Affiliates 2.0 era is the blurring of lines between traditional affiliate businesses and mainstream media. Recognising the value of established audiences and brand trust, many affiliates have struck partnerships with media outlets, sports leagues, or entertainment companies. Conversely, media groups have seen the revenue potential in gambling affiliation and are either collaborating with or acquiring affiliate expertise. The result is a set of hybrid models that combine content and commerce in new ways.

Partnerships with Established Media: One prominent trend is affiliates powering sports or betting content for major media publishers. For example, Better Collective entered a multi-year partnership with **The Daily Telegraph** (UK) starting in 2019, to deliver sports betting content on the Telegraph's platform[63]. Under this deal, Better Collective provides the technology and editorial for betting sections, and the Telegraph provides the audience reach. The content is co-branded or white-labelled (so readers see it as the Telegraph's betting hub, but the affiliate is doing the heavy lifting in the background). Similarly, in the US, Gambling.com Group partnered with Gannett (publisher of USA Today and many local papers) to power their sports betting content across dozens of publications[64]. These deals leverage the **reach and trust** of media brands: readers of a reputable newspaper may be more inclined to trust the betting tips or site recommendations in that context, compared to stumbling upon an unknown affiliate site. The media company benefits by monetising its audience via affiliate commissions (often sharing revenue with the affiliate partner), while the affiliate gets access to a huge audience it would be hard-pressed to attract on its own.

Such partnerships often go hand-in-hand with higher compliance and quality standards, given the media outlets' reputations. The content typically focuses on analysis, news, and education with subtle integration of offers, rather than the pure "Top 5 casinos" salesy approach. This aligns with a broader shift from short-term conversion to *long-term engagement*. A media outlet wants to keep its readers loyal, so the affiliate content must provide genuine value and not just be clickbait to funnel players away.

Sports Club and League Collaborations: Affiliates have also started partnering directly with sports organisations. For example, Better Collective in 2022 became the official betting content partner for the **Goal.com** football website (owned by DAZN), integrating betting odds and tips into a globally popular sports news platform[65].

While these aren't "traditional" affiliate deals, they represent a hybrid where the affiliate model merges with sponsorship and content rights. The benefit for affiliates is exclusive access to a fan base (e.g., fans of a club) and an association with a beloved brand (the team). The club or league benefits by engaging fans with betting content in a responsible way and earning a share of affiliate revenue without directly doing the gambling promotion themselves.

From Arbitrage to Brand Building: The common thread in these hybrid models is a pivot from pure performance arbitrage to **brand equity and trust**. Traditional affiliates rarely had strong brands themselves (a few exceptions like Oddschecker or PokerNews notwithstanding). But by partnering with media or by becoming the media, affiliates tap into brand loyalty that can't be easily replicated by competitors. It's far more defensible to own a segment on a major news site or to be the exclusive betting partner of a sports league than to rank #1 on Google.

Another aspect is content diversification. Hybrid affiliates often produce *non-affiliate* content as part of the package - pure journalism or entertainment that keeps the audience engaged without always selling. For example, an affiliate-run sports betting section might publish match previews, athlete interviews, betting how-tos, etc., with only gentle prompts towards betting offers. This approach builds a richer user experience and drives repeat traffic, which in turn yields more conversions over the long run.

Media Companies Getting Involved: On the flip side, large media corporations have made direct forays into the affiliate world via acquisitions. In 2021, spotlighting the trend, Better Collective acquired the US sports media platform **Action Network** for ~$240 million – a site known for its blend of sports analytics and betting tips. Action Network had a strong brand in the US and an existing affiliate revenue stream; under Better Collective, it could synergise with their other affiliate assets. Likewise, Catena Media, before restructuring in 2022–2023, had acquired the British football media site **Squawka** and turned it into a mix of sports news and betting affiliate links.

Long-Term Value Over Short-Term Gains: These media-integrated strategies usually prioritise sustainable revenue. The arbitrage-driven affiliate of old might not care if referred players were bonus hunters who never returned, as long as the CPA was collected. In contrast, media partnerships often focus on **quality users** – the kind that stick around, perhaps subscribe to content, and bet repeatedly. The content itself educates and perhaps yields better bettors. Some affiliates talk about moving from being pure marketers to being **media businesses** with diversified monetisation (ads, subscriptions, affiliate, etc.).

Of course, these hybrid models come with their own challenges. Profit-sharing arrangements mean revenue is split. Compliance is even more paramount because the media brands are protective of their reputation – any affiliate-related scandal would hurt both parties. And integrating corporate cultures can be tricky; journalists and marketers have historically different approaches, and ensuring editorial independence while pursuing betting revenue is a delicate balance.

Nonetheless, the success of various partnerships and acquisitions indicates that this is a lasting trend. Affiliates 2.0 are embedded in the fabric of sports and gaming media content. It's a far cry from a lone blogger with an SEO site - it's now boardroom deals between affiliate CEOs and media conglomerates. For the industry, this means greater legitimacy and resilience: affiliate marketing is becoming part of the mainstream sports entertainment ecosystem, which in turn may make it less vulnerable to sudden regulatory elimination (as long as it's done responsibly).

4. Technology Reshaping Affiliate Operations

Technology has always been a key enabler of affiliate marketing. But as we move into the mid-2020s, technology – especially AI, data analytics, and advanced platforms – is not just enabling, but *transforming* how affiliates operate. The drive for efficiency, better targeting, and compliance at scale is leading affiliates to invest heavily in new tools and automation. In parallel, changes in the wider digital advertising ecosystem (privacy measures, cookie deprecation) are forcing affiliates to evolve their data strategies. This section delves into how AI, data, and tech infrastructure are reshaping affiliate businesses and what benefits and risks these innovations bring.

4.1 AI and Automation

The rise of artificial intelligence in content generation and marketing optimisation is a game-changer for affiliates. From writing articles to predicting player values, AI tools are being adopted to increase productivity and precision. At the same time, over-reliance on AI carries its own risks, particularly around content quality and compliance.

AI-Powered Content Creation: Many affiliates now leverage AI language models (like GPT-based tools) to assist in writing content - be it game guides, match previews, or even entire casino reviews. This can massively reduce the time and cost to generate content across multiple languages and niches. Instead of hiring large teams of writers, an affiliate can have a small editorial team using AI to draft and then humans to edit and fact-check. AI can also help maintain a consistent output; for example, generating basic pages for hundreds of different slot games with similar structure, each tailored with the game's features, RTP, and some unique descriptive text. This ensures the site has a breadth of content that might have been uneconomical to produce manually.

Optimisation and Personalisation: AI doesn't stop at content generation. It's increasingly used for *conversion rate optimisation* - dynamically adjusting website elements (headlines, images, calls-to-action) based on what's likely to convert a specific user. These kinds of **predictive modelling** and personalisation, powered by machine learning, can boost conversion rates.

AI is also applied in media buying for those affiliates who do paid advertising – algorithms that manage bidding on Google or social ads, finding the best time and audience to show offers, far faster than a human could.

Player Value Modelling: A crucial use of AI is predicting the **LTV (Lifetime Value)** of referred players. Historically, affiliates on revenue share deals have only known in hindsight which traffic sources or campaigns brought valuable players. Now, with enough historical data, machine learning can predict early on – perhaps from a player's initial deposit amount or play behaviour – whether they'll be high value or not. This can inform affiliates to adjust their focus (for instance, if players coming from YouTube have 2x the LTV of those from Twitter, an affiliate might double down on YouTube efforts).

Some sophisticated affiliates have built their own data science teams to crunch such numbers, segmenting players and optimising their commission structures with operators accordingly. Knowing your player value relative to acquisition cost is key to scaling sustainably.

Efficiency Gains: The net effect of AI and automation is efficiency. One industry analysis noted that affiliates using AI for content and analytics can achieve significantly higher output and better targeting with the same or fewer staff[66][8]. Routine tasks – like updating odds comparisons or checking bonus terms across dozens of operator sites – can be automated with bots. Email marketing and push notifications can be automated based on AI-determined user preferences (e.g., if a user often reads blackjack articles, automatically send them the latest blackjack bonus offers).

Risks – Content Commoditisation: However, there's a caveat. If everyone has access to AI tools, there's a risk that content becomes homogenised. Search engines may start detecting and devaluing content that looks machine-generated or lacks human insight. We already see Google emphasising "experience" and unique expertise – AI content that just rehashes known info might rank poorly, especially in YMYL areas like gambling, where trust is paramount[67][68]. Affiliates that lean too much on AI without adding original perspectives or firsthand experience could end up with a lot of content that fails to differentiate itself (or worse, violates Google's guidelines if it's purely there to manipulate rankings). Indeed, the March 2024 Google update penalised many sites suspected of mass-produced AI content that lacked genuine human touch[69][70]. The best practice emerging is to use AI for draft and data, but always infuse content with real human expertise – e.g., have a real gambler review and augment an AI-written casino review, adding personal notes and verifying details.

Compliance Risks: AI can also pose compliance pitfalls. An AI might not inherently know the gambling advertising codes. If asked to write a promotional blurb, one might come up with phrasing that is not compliant. Without human oversight, such mistakes could slip through and cause regulatory issues. Additionally, AI might pull from a broad training set and could inadvertently include disallowed claims. Affiliates have to "teach" or prompt their AI carefully and then edit outputs for compliance. **Accuracy** is another concern – AI can "hallucinate" or produce wrong information. If an affiliate used AI to generate a list of, say, "best payout percentages by casino", there's a risk the AI fabricates numbers or mixes up brands, which could mislead readers and breach truthfulness standards. Ensuring factual accuracy means building verification steps into the workflow. As noted in a compliance editorial, the speed of AI content can "outrun compliance checks" if one isn't careful[71]. It's easy to churn out dozens of pages, but each needs review.

Fake Endorsements and Reviews: Regulators like the FTC in the US have begun addressing the misuse of AI in marketing beyond gambling. The FTC in 2024 banned fake AI-generated reviews – fining companies who used AI to write positive testimonials that appear human[72]. While this example is e-commerce, it's relevant to affiliates: a site should not be deploying AI to generate fake user comments or endorsements of an operator, as that would be deceptive. Affiliates will need to maintain transparency that the content is an advertisement and avoid any AI-driven tricks that would violate consumer protection laws.

In conclusion, AI and automation in affiliate operations provide powerful leverage to those who wield them wisely. Affiliates can do more with less, tailor their strategies in near real-time, and potentially offer a more personalised user experience - all of which can lead to higher revenues and better user retention. But those gains come with new responsibilities: the need for robust oversight to maintain quality and compliance. Affiliates who find the right balance - leveraging AI's strengths while mitigating its weaknesses – stand to gain a competitive edge in the coming years. Those who misuse or overuse AI risk penalties from both regulators and search algorithms, which could nullify the benefits. Thus, the mantra is to treat AI as an assistant, not a fully autonomous agent. The human touch – expertise, ethical judgement, and creative insight – remains irreplaceable, especially in a sector as sensitive as gambling.

4.2 Data, Attribution, and Measurement

Data has always been the lifeblood of performance marketing. But the data landscape is shifting dramatically due to privacy regulations and changes by major tech platforms. Affiliates, like all digital marketers, are having to adapt to a world where traditional tracking methods (like third-party cookies) are fading, and user privacy is paramount. At the same time, affiliates are adopting more sophisticated attribution models and analytics to truly understand what drives value in their business.

Shift Toward First-Party Data: With the introduction of GDPR in Europe and similar laws elsewhere (CCPA in California, etc.), as well as moves by browsers (Safari's ITP, Firefox's ETP) and operating systems (iOS requiring opt-in for tracking), the ability to track users across the web via third-party cookies and device IDs has been severely curtailed. This is often called "signal loss" – marketers have less visibility into user behaviour outside their own sites. For affiliates, who traditionally relied on cookies to track when a user clicked out to an operator and signed up, this is a challenge. In response, many affiliates are investing in **first-party data** strategies. This means encouraging users to create accounts or provide emails on the affiliate site itself (e.g., to access special offers, participate in forums, or receive personalised tips). By having a direct relationship with users, affiliates can gather and utilise data with user consent - such as tracking their preferences, seeing which content they engage with, and then tailoring recommendations or follow-ups.

For instance, an affiliate might offer a newsletter of betting tips; when users sign up, they not only consent to communications, but the affiliate can track their site usage by logging it under that user profile (first-party cookie or local storage tied to an account). This data is gold for segmentation – the affiliate can see that User A often reads tennis betting articles and clicks offers from Operator X, so maybe they should send User A a personalised promo from Operator X about an upcoming tennis tournament.

Cookieless Tracking Solutions: On the technical side, many affiliate programmes are moving to server-to-server tracking and unique identifiers that don't rely on client-side cookies. For example, when a user clicks an affiliate link, instead of just dropping a cookie, the affiliate might ping the operator's server with a unique transaction ID. The operator then ties that ID to any registration that happens, and confirmation is sent back to the affiliate – all via API, not needing the user's browser to hold a cookie. This is more robust against browser restrictions. It also dovetails with privacy requirements because data sharing can be minimised and secured in these direct server calls.

Some affiliates have also adopted **fingerprinting** techniques (using a combination of non-personal data points like IP, device type, etc., to recognise a user), but these are increasingly frowned upon by privacy regulators if done without consent, and browsers are actively trying to block fingerprinting. The future likely lies in consented data sharing or frameworks like Google's Privacy Sandbox (topics API, etc.), where interest-based ads can be served without tracking individuals. Affiliates will have to integrate with whatever new standards become prevalent, ensuring they can still attribute leads to their marketing without violating user privacy.

Multi-Touch Attribution: A big advancement in affiliate analytics is moving beyond the simplistic "last click" model. Traditionally, if an affiliate got the last click before a conversion, they'd get credit. But the customer journey can involve multiple touchpoints - maybe a user first saw a YouTube video by an influencer (affiliate A), later read a blog review (affiliate B), and finally Googled the brand and clicked an Ad (paid by the operator). Who truly "drove" the conversion? Operators are employing more advanced attribution models internally, and some are sharing more data with affiliates about the quality and behaviour of referred players. In response, affiliates that have multiple marketing channels themselves are trying to attribute value internally. An affiliate network or large affiliate might run PPC ads, social campaigns and SEO content; multi-touch attribution modelling can help them allocate credit (and budget) appropriately, rather than, say, overvaluing the channel that usually gets the last click.

For example, if an affiliate finds that a YouTube video view usually precedes an eventual sign-up via their site, they may ensure to keep investing in video content even if it doesn't directly convert, knowing it assists conversions down the line. These models often use weighting (e.g., linear or time-decay models) and increasingly, AI to assign credit. The goal is to optimise the whole funnel, not just the last step.

Measurement and Quality Metrics: As operators demand better quality players, affiliates, too, are focusing on **lifetime value (LTV)**, **return on ad spend (ROAS)**, and **player retention** metrics from their side. It's not just "did we get a sign-up?" but "did we get a valuable sign-up?" Advanced affiliate dashboards integrate data from operator reports (like revenue per player, number of active days, etc.) and crunch these to evaluate traffic sources. If a particular campaign yields players who stick around 3x longer, the affiliate will prioritise that campaign even if raw signup numbers are lower. This is a maturation from volume-based to value-based management.

One complication is data privacy – affiliates only get anonymised data or aggregated performance (they usually don't know personally identifiable info of players on the operator side). But even aggregated, trends can be analysed. Some affiliates have negotiated receiving hashed user IDs or similar from operators, allowing them to match if a user returned via their content multiple times, etc., without exposing personal data.

Regulatory Compliance in Data: GDPR and others also mean that affiliates must handle data responsibly. Many affiliates had to implement cookie consent banners and options for users to opt out of tracking or marketing communications. Handling user data (especially if affiliates maintain user accounts) means complying with data protection standards (secure storage, deleting data on request, etc.). Those who manage this well not only avoid fines but can tout themselves as privacy-conscious, which is increasingly a brand asset.

Loss of Third-Party Cookies – Opportunity? Interestingly, some affiliates see the loss of easy tracking as a competitive opportunity: those with better tech stacks for attribution will outperform those that rely on outdated methods. In other words, if affiliate X can still track effectively via first-party data and direct integrations, while affiliate Y's old cookie-based links start undercounting conversions due to ITP, affiliate X will have better numbers and relationships. So investment in tracking solutions now is a differentiator. Indeed, industry advice is that affiliate campaigns must be "cookieless-ready" and aligned with global privacy regulations to maintain accuracy in reporting[73].

Example – First-Party CRM Integration: Some affiliate platforms have integrated CRM systems to manage communications with their user base (the players before they hand off to operators). For example, an affiliate might build a profile of a user's favourite games and then send them alerts when new similar games launch or when a big jackpot is hit on a slot they like. This kind of user retention at the affiliate level is a newer approach – historically, once a user clicked out and signed up at an operator, the affiliate's involvement ended (aside from getting paid). But now, especially for rev-share deals, affiliates have an incentive to keep players engaged and active at the operator. So they may continue providing content to those users (through email or on-site personalisation) to encourage them to go back and play (responsibly). This is delicate – affiliates must ensure they don't stray into territory that could be seen as targeting potentially vulnerable players (one reason many affiliates stick to acquisition and leave retention to operators). Still, some large affiliates with community platforms or forums naturally re-engage users, which indirectly prompts further play.

Data-Driven Compliance Monitoring: It's worth noting that data is also used to enforce compliance. Affiliates and operators use automated scans and data analysis to ensure marketing content is within regulatory bounds. For example, text-mining affiliate pages for certain prohibited terms or checking that all pages have required age disclaimers and responsible gambling links (some affiliate management software offers these compliance checks as features[74]). This is another aspect where tech and data overlap with the compliance drive discussed earlier.

In summary, affiliates are reinventing their data and measurement frameworks to be more privacy-centric and value-focused. By owning first-party relationships and utilising advanced analytics, the affiliate of the future is less a pure marketing arbitrageur and more a data-savvy, insight-driven enterprise. This will likely lead to fewer but more sustainable and substantial affiliate businesses: ones that can demonstrate to operators not just how many clicks they bring, but how those clicks convert into long-term customers, all while respecting user privacy and choices.

4.3 Platform and Infrastructure Evolution

As affiliate businesses scale and diversify, the underlying platforms and infrastructure they rely on have had to evolve. Gone are the days when a basic off-the-shelf tracking software and a WordPress blog would suffice for a leading affiliate operation. Today's multi-market, multi-channel affiliates require robust systems to track performance, manage campaigns, ensure compliance, and handle payments efficiently. Additionally, the interface between operators and affiliates – the affiliate platforms – is also advancing to provide more transparency and control. Here, we assess how the nuts and bolts of affiliate tech are advancing to support the new landscape.

Specialised Affiliate Platforms: Traditional affiliate tracking software (often provided by operators to affiliates) includes names like Income Access, HasOffers, or in-house solutions. In the affiliates 2.0 era, we see more affiliates building proprietary platforms or using advanced third-party platforms that offer features tailored to gambling. For example, platforms like **PartnerMatrix** or **NetRefer** are widely used by iGaming operators and larger affiliate programs because they support complex commission structures (tiered revenue share, hybrid deals, sub-affiliates) and provide real-time reporting across multiple brands. Affiliates increasingly demand real-time data – wanting to see up-to-the-minute clicks, FTDs (First Time Depositors), and revenue figures, rather than waiting for end-of-month summaries.

Integration and APIs: Modern affiliate operations often integrate directly via APIs with operator systems, instead of logging into dozens of separate operator affiliate backends to compile data. Big affiliates set up API connections to pull their stats into a central dashboard. This not only saves time but also allows them to cross-analyse data (e.g., comparing conversion rates across operators or identifying an issue if tracking drops from one operator suddenly). Some affiliates even push data back to operators – for example, sending richer sub-ID information that indicates which site or which campaign a player came from, enabling better reward calculations or targeting by the operator.

Scale and Governance: Running an international affiliate business means managing content and compliance across different jurisdictions, languages, and brands. Many affiliates have developed or adopted **content management systems (CMS)** that allow them to easily spin up localised sites and pages while maintaining central control. They can deploy a new regulation-mandated message across all their EU sites with a few clicks, or adjust odds feeds site-wide from a single point. This scaling capability is important, especially for time-sensitive promotions (major events like the World Cup) – the ability to rapidly deploy tailored landing pages in multiple countries can be a competitive edge.

Fraud Detection and Traffic Quality: As with any digital marketing, affiliate traffic can be subject to fraud (for instance, fake sign-ups, bonus abuse rings, or cookie stuffing schemes). Both affiliates and operators use tech to monitor this. For operators, it's critical to ensure they pay for genuine players, so their affiliate platforms use algorithms to flag unusual patterns (e.g., an affiliate whose referred players all sign up with sequential email addresses, or a spike of sign-ups from the same IP range). Reputable affiliates support these measures because they weed out bad actors who hurt the overall industry's credibility. Some affiliates themselves implement pre-screening – not sending obviously problematic traffic, or using CAPTCHA and email verification on their sites to avoid bot traffic. As affiliates invest more in paid media, protecting against click fraud and ensuring ad spend yields real humans is part of the infrastructure challenge.

Payment and Finance Infrastructure: Affiliate finance can be complex when operating at scale – thousands of partners, different currencies, varying payment methods. Leading affiliate networks or big affiliate companies use automated payment systems that can handle multiple currencies and multiple methods (wire transfers, PayPal, e-wallets, crypto payments, etc.). They also have to manage reconciliation – matching operator statements with their own tracking to ensure all due commissions are paid. Some have built dashboards where, for example, an affiliate manager can see in real-time the balance owed by each operator and whether thresholds for payment have been met. Efficient financial infrastructure is a competitive factor because it reduces operational overhead and builds trust (affiliates want to be paid accurately and on time; operators want to pay correctly without disputes).

Proprietary Tech Stacks: A few of the largest affiliates (often publicly listed companies) have developed significant in-house technology. They might have their own **user tracking pixels**, custom analytics platforms, or A/B testing tools specifically for their needs. For instance, an affiliate might create a custom tool to dynamically reorder lists of recommended operators based on which is performing best that day or which the user is most likely to prefer (using historical data). Another might have an internal system to manage and audit all content for regulatory compliance, using databases of approved wording for each market. These proprietary tools can be a moat – smaller competitors can't easily replicate them without similar investment.

Transparency and Communication with Operators: Operators, too, have upgraded their affiliate interfaces. Many now share more granular data – such as player level data (anonymised) showing deposits, net revenue, etc., which can help affiliates optimise. Some run their affiliate programs almost like joint ventures, sharing insights on what player segments affiliates are bringing in (e.g., "Affiliate X brings high-value slots players, maybe we can increase their commission to drive more"). The tech platform can allow flexible commission adjustments, bespoke deals, and detailed reports, which were not common a decade ago.

Another aspect is **real-time compliance alerts**: some operator affiliate systems will automatically reject tracking if an affiliate is found to be violating terms (for example, using a banned keyword or advertising in a restricted territory). This automation of governance ensures issues are caught early. Affiliates thus integrate compliance as part of their technical workflow – for example, having programmatic checks that their Google Ads don't run in blacklisted geos or that any changes to content go through an approval process.

Edge Technologies: Looking ahead, some affiliates are experimenting with blockchain or distributed ledger tech for tracking – the idea being that referrals and conversions logged on a blockchain could provide an immutable, transparent record that both operator and affiliate trust. This is a niche at the moment, but a few start-ups have touted "blockchain-based affiliate tracking" to solve issues of tracking discrepancies. Additionally, the use of cloud infrastructure and microservices allows affiliates to scale during peak times (like Grand National weekend or Super Bowl) without downtime, ensuring they capture every click.

In essence, the backbone of affiliate operations is becoming as sophisticated as that of the operators themselves. The leading affiliates run operations reminiscent of digital media agencies or tech companies, with dedicated IT teams, product managers, and data analysts. This platform evolution is crucial to support all the trends discussed earlier – you can't manage influencers, multiple media partnerships, AI content, and compliance across 10 countries using spreadsheets and hope for the best. The winners will be those who invest in robust, agile infrastructure that can adapt to market demands and regulatory changes with minimal friction. At the same time, smaller affiliates or new entrants might find the cost of necessary tech a barrier, which again feeds into the theme of consolidation and professionalisation of the industry.

5. Implications for Traditional Affiliate Businesses

All the changes outlined – regulatory, technological, and strategic – inevitably pose the question: what becomes of the "traditional" affiliate businesses that dominated the last two decades? Traditionally, we refer to those whose core model was SEO-driven traffic arbitrage with perhaps a small team and relatively straightforward operations. This section examines how those legacy models are being disrupted, what adaptations are possible, and how the industry structure is shifting in terms of talent needs and consolidation.

5.1 Business Model Disruption

Some legacy affiliate models are facing existential threats, while others may find ways to adapt and survive. The key determinant is how exposed the model is to the structural changes we've discussed.

Most Exposed Models: Pure SEO content affiliates are among the most exposed. These are companies whose traffic comes overwhelmingly from search rankings on head terms ("best casino", "online betting") and who haven't diversified into other channels or brands. Google's clampdown on low-quality affiliate content – especially the policy targeting "site reputation abuse" that ended many mainstream media affiliate partnerships in search results[75] – effectively pulled the rug out from under some affiliates. For instance, Forbes Advisor, which had become a huge affiliate portal within the Forbes website, lost 97% of its search visibility due to Google's 2023–24 updates[1][76]. Affiliates that rode on borrowed authority or thin content saw "entire business models demolished"[13]. If your defensibility was just knowing SEO tricks, that defensibility is largely gone: Google wants actual authority and user value now, which is hard for many small affiliates to establish.

Another exposed model is one reliant on **arbitrage media buying** – buying cheap traffic (say via display ads or content recommendation widgets) and funnelling it to operators. As more advertising platforms enforce gambling ad restrictions and as costs rise, the margin on this arbitrage shrinks. Only those with superior data analytics to target effectively can still profit, and often the ones winning here are those with either exclusive media deals or the ability to optimise every cent via AI. Smaller arbitrageurs are being squeezed out or have shifted focus to markets with less competition (e.g., emerging markets where ad inventory is cheaper and regulation looser, albeit with risk if those markets regulate).

Affiliates heavily focused on one market or product that undergoes regulatory or consumer change are also at risk. For example, affiliates that specialised in online bingo in the UK saw a decline as bingo's popularity waned and regulation limited the aggressive bonuses that once made it a cash cow. Similarly, affiliates that banked on grey markets enjoyed a boom for a while but are now facing clampdowns.

Adaptive Potential: Some legacy affiliates can adapt because they have underlying strengths beyond arbitrage. For instance, those that cultivated a loyal community or brand – such as a forum for gamblers or a highly respected odds comparison site – can leverage that into new areas. Oddschecker faced SEO challenges, but it remains a go-to brand for many punters; it adapted by building a strong app and personalisation features to keep users engaged beyond just the initial comparison. Traditional affiliates with strong content could pivot to become more media-like, incorporating news or educational content rather than just salesy reviews.

Affiliates that built multi-vertical businesses and multi-geo presence are more resilient. If one area dips, another might rise. We saw during the pandemic that sports betting affiliates took a hit when sports were cancelled, but casino affiliates saw increased interest. Those who had both verticals could weather the storm by reallocating resources.

Diminishing Defensibility of SEO Strategies: It's worth reiterating that the "moat" of having top Google rankings is no longer as deep. In fact, Google's SERP now often shows either the operators themselves, authoritative news outlets, or aggregator reviews from large platforms. An affiliate might find themselves displaced by either the house (operator) or by user-generated content aggregators. Google effectively does not want the SERPs dominated by affiliates unless they offer something truly unique and valuable beyond what a direct source could. That's why Google's quality raters are told to flag affiliate sites that pretend to have tested products but haven't[68] – the search engine is actively filtering out what it views as fluff or second-hand content. This means new entrants trying the old formula will struggle to gain a foothold, and existing players may have to invest vastly more in content quality (e.g., actually having experts and real testing) just to maintain their position.

Regulatory Burdens Favouring Scale: As discussed earlier, the regulatory compliance load inherently favours larger, well-resourced affiliates. Small sites run by one or two people may conclude that it's too much hassle to implement all the compliance requirements and will either quit or sell off to bigger groups. In markets like the UK, we've seen many small affiliates drop out after the 2018–2019 spate of regulation changes (like requiring age verification even for play-for-free games, which some affiliate sites had to remove[46]). The ones that remain tend to be those who either specialised safely or who scaled up.

In sum, the traditional models most at risk are those that do not evolve. The industry is littered with once-high-flying affiliates whose traffic plummeted after an algorithm change or regulatory action. On the other hand, some "traditional" companies anticipated these changes and transformed themselves: companies like Better Collective or Catena Media started essentially as SEO affiliates in the 2000s, but they gradually reinvented themselves as multi-channel media organisations by the mid-2020s. They acquired others, entered new forms (social, etc.), and made compliance a core competency, thus staying ahead of the curve.

For those legacy affiliates contemplating their future, the strategic choices are clear: adapt by diversifying traffic sources and content forms, invest in genuine user value and trust (become a brand or community, not just an aggregator), or face decline. There will always be some room for niche or specialist affiliates (for example, a site solely focused on strategy content for blackjack might maintain a devoted following), but the broad middle of generic affiliates will likely either consolidate or fade away.

5.2 Talent, Capital, and Capability Shifts

The evolution from Affiliate 1.0 to 2.0 is not just about strategy and tech, but also about people and skills. Running an affiliate business today requires a broader set of capabilities than in the past. This has implications for talent acquisition, organisational structure, and where capital is allocated in affiliate companies.

New Skill Requirements: Traditional affiliates could often be run by a small, technically-minded team – perhaps an SEO specialist, a couple of content writers, and a web developer. The key skills were SEO, basic web development, and maybe some content editing. Now, consider what Affiliates 2.0 might need: - **Content Production at Scale:** Video editing skills, livestream production, graphic design for social media – essentially, capabilities akin to a digital content studio. Affiliates doing YouTube, Twitch or TikTok require producers and presenters, not just article writers. For instance, an affiliate that starts a Twitch channel may hire charismatic streamers or convert some staff into on-air personalities. - **Compliance and Legal:** Given regulatory complexity, affiliates are hiring compliance officers or dedicated legal counsel. Larger affiliates have whole compliance teams who liaise with operators and ensure marketing content is vetted. These roles were virtually nonexistent in affiliate firms 10 years ago.

- **Data Science and Analytics:** As mentioned, AI and data-driven optimisation are key – many affiliates now have data analysts, BI (Business Intelligence) developers, and even data scientists on payroll to crunch conversion data, run A/B tests, and build predictive models. This is a shift from gut-feel marketing to evidence-based marketing.
- **Software Development:** If building proprietary tech is a competitive edge, then affiliates need software engineers. Indeed, some of the top affiliates describe themselves as "tech companies" or "platform providers" in addition to being marketers[77]. Better Collective, for example, not only employs journalists but also a tech team to work on its products and AI initiatives (they even have a Head of Editorial AI, per an agenda in 2025[78]).
- **Brand and PR:** If affiliates are becoming brands or partnering with media, they need brand strategists and PR people. Engaging with stakeholders like regulators, doing corporate communications, and attending industry

panels – these tasks call for a more corporate skill set than the early affiliates had. The founding of trade groups like RAiG and RGAA (often spearheaded by affiliate execs) indicates that affiliates see value in policy influence and public relations, requiring leadership with those competencies[47][48].

- **Creative Marketing:** Instead of just catching search traffic, affiliates now might engage in broader marketing – running their own social media channels, email marketing, attending trade shows or sponsoring events. This means hiring marketing managers, community managers, etc., who can cultivate an audience and brand presence.

Organisational Changes: The affiliate of the past might be a lean flat organisation. Now, affiliates that have grown have more formal structures: content divisions, marketing divisions, tech divisions, regional managers for different markets, etc. They resemble mini operators or media houses. This complexity means leadership must have strong management capabilities, and companies may bring in experienced executives from adjacent industries (we've seen affiliates hiring ex-operator marketing directors, or media company executives, to help lead their next phase of growth).

Talent Competition: Affiliates now compete for talent with both operators and media firms. The skill overlap means, for example, a digital journalist might choose between a job at a newspaper or at an affiliate site's news section; a data scientist could go to a sportsbook or to an affiliate's analytics team. This has likely increased salary and cost structures for affiliates.

Capital Expenditure Shifts: In terms of capital allocation, affiliates are spending more on technology and content creation than before. Budget that might once have been mostly for link building and maybe some PPC is now being funnelled into: - Acquiring or developing software (CMS, analytics platforms). - Producing high-quality content (maybe building an in-house studio, purchasing video equipment, hiring designers). - Ensuring compliance (training, legal fees). - Possibly expanding internationally (local staff or consultants in target markets). All these require either ploughing back profits or raising capital.

Need for Investment: The increasing complexity has made the affiliate sector more capital-intensive than it used to be, which is one reason we've seen moves like affiliate companies going public or raising funds to fuel expansion (Better Collective, Catena Media, Gambling.com have all listed on stock exchanges or raised significant venture money). Private equity has also taken an interest, seeing that with some professional management and consolidation, these businesses can be scaled. The upshot is that affiliates need *capital* to hire the right talent and build the right capabilities. Small operations might struggle to afford, say, a full-time compliance officer or a team of data analysts.

Cultural Adjustments: There's also a cultural angle - affiliate entrepreneurs who started out as small teams must adapt to managing larger, multi-faceted teams. This could lead to some founders stepping back or selling to larger entities when they feel the company needs a different style of leadership for growth.

In summary, the affiliate business of 2026 onward looks quite different on the inside: it's more diverse in roles, more specialised, and more akin to a media or tech startup environment than the old stereotype of two guys with laptops gaming Google's algorithm. This is ultimately positive for the sector's sustainability; it means more robust companies that can innovate. But it also means the bar to entry and success has risen; to compete, one needs access to talent and capital in a way that wasn't necessary 15 years ago.

5.3 Consolidation and Exit Activity

The affiliate industry has been experiencing a wave of consolidation over the past several years, and this is likely to continue. As pressures mount on smaller players and as larger players seek growth and diversification, mergers and acquisitions (M&A) have accelerated. In parallel, investor interest (from both strategic buyers like operators/media and financial buyers like private equity) has offered affiliates various exit opportunities. Let's examine the trends, drivers, and considerations around consolidation and exits.

Recent M&A Trends: Numerous notable acquisitions have shaped the landscape:

Affiliate-to-affiliate M&A: Large affiliate groups have been buying smaller affiliates to expand into new markets or verticals. Better Collective has been especially acquisitive – beyond the aforementioned Action Network ($240m) in 2021, they also acquired **Playmaker HQ** (a sports media network in the Americas) in early 2024[79], as well as assets like **VegasInsider.com** and **ScoresandOdds.com** before that. Catena Media previously acquired many rivals in the 2016–2018 period (e.g., AskGamblers.com, multiple Scandinavian affiliate sites). Gambling.com Group acquired **BonusFinder** in 2022 for about $12.5m to increase its North American footprint. Raketech and XLMedia, other publicly traded affiliates, have similarly been on buying sprees historically.

Operator acquisitions of affiliates: While less common than affiliate-to-affiliate, there have been cases. For instance, in the US, some operators have acquired affiliate-like assets: Penn National (an operator) in effect acquired a media/affiliate when it bought a stake in Barstool Sports (Barstool wasn't a pure affiliate but had an affiliate-style revenue model via its following). Flutter (parent of FanDuel, Betfair, Paddy Power) took a stake in the affiliate **Oddschecker** in the past (though later sold it). These moves are often about securing direct control of valuable traffic pipelines or adapting the affiliate's capabilities for the operator's in-house use.

Media company acquisitions: We've seen media companies either acquire affiliates or integrate them (e.g., how Better Collective partnered with the Telegraph rather than Telegraph buying them, but in the US, media giant Red Ventures acquired **PointsSherpa** (an affiliate) in 2020 and Vox Media acquired **Chorus** – though those are finance sector analogies, not gambling, they show a pattern of media getting into affiliate marketing). It wouldn't be surprising if a media conglomerate buys a gambling affiliate network to instantly have a presence in that sector – for example, if News Corp or Disney (ESPN) had bought an established affiliate rather than building from scratch.

Drivers of M&A: - *Regulatory and Market Access:* Buying an existing player can be the fastest way to gain presence in a newly regulated market. When US sports betting opened up, many European affiliates acquired US-focused sites or companies (Better Collective's purchase of Action Network is a prime example – Action had a brand and following in US sports betting content). - *Economies of Scale:* Larger affiliates can centralise certain functions (tech, compliance, etc.) and achieve better margins. They can also cross-sell players between their sites (if one site is casino-focused and another sports-focused, a user could be referred across, increasing lifetime value). - *Diversification of risk:* A portfolio of affiliate sites across regions and products smooths out the revenue volatility from any one site being hit by Google or one market changing rules. Consolidation provides a kind of hedging. - *Valuation arbitrage:* Publicly traded affiliates often have higher valuation multiples (e.g., EV/EBITDA) than smaller private ones. By acquiring at a lower multiple and integrating, they can create shareholder value. For example, if Better Collective trades at, say, 10x EBITDA and it buys a smaller site for 4x EBITDA and can maintain those earnings, it's accretive. - *Competition for digital audience:* There's a bit of a land grab mentality – better to buy up potential competitors and own the key domains/brands in the space. It's telling that EGR's "Power Affiliates" list shows a relatively small number of companies controlling a large swath of the industry[80].

Valuation Drivers: What commands a high price in affiliate M&A? - *Regulated Market Revenue:* Revenue and profit coming from stable regulated markets (like the UK, US states, etc.) is valued more highly than grey market revenue. Buyers will discount earnings if they come from places at risk of a clampdown. - *Growth Trajectory:* Assets in high-growth areas (currently, US sports betting affiliates, or Latin America as it regulates) get premium valuations because buyers are paying for future potential. - *Brand/Technology:* Those with strong brands (like Action Network in the US or Oddschecker) or proprietary tech (like a unique platform or data offering) may justify a premium as they bring something more defensible. - *Compliance Record:* An affiliate that has a clean record and good standing with operators is more valuable – easier transition and less worry about hidden pitfalls (like if an affiliate had histories of ASA fines or sharp practice, an acquirer might think twice). - *Earnings Quality:* Recurring revenue (rev share earnings) vs one-off (CPA) can affect price; rev share often seen as more long-term but can be riskier if player behaviour changes. A diversified client (operator) base is also important – reliance on one operator is a risk.

Exit Considerations for Founders: Many early affiliate founders built their businesses to a point and then faced the question of selling. Key considerations include: - *Timing:* The market's perception of affiliates swings. In the mid-2010s, affiliates were hot commodities (some deals at very high multiples). After Google's 2018–2020 updates, caution increased (some assets became distressed). Founders often try to sell when performance is high, but regulatory changes can prompt earlier exits (like some UK bingo affiliates sold out once the UK market matured and growth slowed). - *Earn-outs:* Deals often involve earn-outs (the seller gets part of the payment over 1-3 years based on performance targets). This is a way for buyers to ensure continuity and transfer of know-how. For sellers, it means they stay involved for a while and need to ensure the business doesn't decline post-sale. A heavily changing market can complicate earn-outs. - *Who to sell to:* Options include other affiliate groups (often easier integration as they understand the business), operators (could pay a strategic premium but might also dismantle the asset for exclusive use), or private equity (which might roll the asset into a platform to consolidate more). - *IPO:* A few affiliate companies have gone public as an exit/liquidity event for founders. The public market route requires a certain scale and governance structure, but it has happened, especially in Stockholm's Nasdaq First North, which saw listings like Catena, Better Collective, etc. For smaller affiliates, that's not an option, but for mid-tier, merging into a larger group that's public could be.

Consolidation Outcomes: The industry is coalescing around a handful of major players – each likely with multiple brands and channels. This is similar to how the online gambling operators themselves consolidated (several big groups owning many sub-brands). It likely means more stability in how affiliates behave and are scrutinised (big companies have more to lose, so they tend to be more compliant and mindful of reputation). It could also mean less diversity of voices; however, as long as the front-end brands remain distinct, consumers might still perceive variety even if ownership is concentrated.

From an operator perspective, working with a few large affiliate partners can be simpler (ease of management, perhaps bigger strategic integrations) but also creates some dependency (if one giant affiliate supplies 20% of your customers, they have bargaining power on commissions). We've observed Better Collective even taking shareholdings in operators (they bought ~5% of Catena Media as a sort of strategic move[81], and some affiliates considered taking stakes in sportsbooks). The lines blur – perhaps in future, big affiliates and operators could merge or co-own ventures.

In conclusion, consolidation reflects a maturing industry. While it can be bittersweet (fewer scrappy independents), it's a sign of an industry becoming mainstream. For investors, it's created clear market leaders to back. For those running smaller affiliates, it presents a choice: team up (sell or join forces) or double down on a niche where you can survive independently. The likely scenario is continued M&A in the next few years, especially in high-growth regions, until the affiliate landscape mirrors something like the operator landscape – a few global or regional champions with a portfolio of brands, plus some specialist boutiques.

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1. **What has changed most fundamentally in the affiliate landscape over the past two years?**

   Over the last two years, affiliate programs have seen a significant shift towards stricter regulations and increased transparency. New rules regarding user data and advertising have emerged, especially with legal changes like GDPR in Europe. Additionally, there's been increased competition for organic search rankings, forcing affiliates to improve content quality and meet high SEO standards.

2. **Which traditional affiliate practices are no longer sustainable, and why?**

   One of the outdated practices is the over-reliance on "grey hat" SEO methods, such as excessive link buying or using low-quality content. These techniques are becoming less effective due to advancements in search engine algorithms and higher content quality requirements. Moreover, with stronger regulations, methods like hidden marketing or fake reviews are no longer acceptable.

3. **What metrics matter most today when evaluating affiliate performance?**

   Currently, the key metrics for evaluating affiliates are organic traffic, conversion rate (CR), and cost per acquisition (CPA). It's also crucial to track user engagement on the site, such as time on page and depth of page views. These indicators help understand how well an affiliate attracts quality leads and delivers long-term profitability for the operator.

6. Operator and Investor Perspectives

Thus far, we've looked at the affiliate evolution largely through the affiliate lens. But these changes equally impact the stakeholders who rely on affiliates: the operators who receive the traffic and the investors who finance the industry's growth. In this section, we examine how operators' expectations of affiliates are shifting in a post-arbitrage world and how investors are evaluating the risk-reward profile of affiliate businesses.

6.1 Operator Expectations in a Post-Arbitrage World

As the affiliate sector transforms, operators – the online casinos and sportsbooks – are recalibrating how they work with affiliates. In the early days, operators might have simply chased volumes: as many new customers as possible, as cheaply as possible. Now, with regulatory scrutiny high and a focus on sustainable growth, operators have become more discerning. Several key expectations and trends have emerged:

Quality Over Quantity: Operators are increasingly focused on the *lifetime value* and quality of players that affiliates bring, rather than sheer numbers. They analyse metrics like average deposit size, turnover frequency, churn rate, and compare across affiliates. If Affiliate A brings 100 players who each net £500 in revenue over 6 months, and Affiliate B brings 300 players who net £100 each and mostly self-exclude after a month, the operator will value A far more, even if B's raw count is higher. We've heard of operators introducing minimum activity clauses – e.g., if referred players do not meet a certain activity threshold (like X bets made or Y revenue) on average, the affiliate's commission rates could be lowered, as a way to incentivise quality traffic.

Compliance Integrity: Operators expect affiliates to essentially act as an extension of their marketing department, which means adhering to all regulatory rules as if the operator were doing the advertising directly. Many operators have instituted strict compliance audits of affiliates. They may require affiliates to submit marketing materials for approval (especially for any bespoke campaigns), to certify understanding of guidelines, and even to undergo training. For example, UK operators sometimes provide affiliates with their brand guidelines and compliance dos and don'ts, and require a signed acknowledgement. The UKGC has intimated that if an affiliate breaches rules, the operator should be able to demonstrate they had oversight and policies in place – so operators are holding affiliates to high standards. The practical upshot is that operators have trimmed their affiliate programmes to a *whitelist* of trusted partners and dropped any that gave cause for concern. It's not unusual to see an operator that once had hundreds of affiliates now only actively working with a few dozen that passed compliance checks.

Operators also monitor affiliate sites proactively. Using tools like Rightlander or manual checks, they will see how their brand is being portrayed. If an affiliate's site content or approach is not "brand-safe" – e.g., making exaggerated promises or appearing on illegitimate sites – operators will intervene or terminate the relationship. Brand alignment is key; a premium sportsbook might not want to be featured on a site that also pushes unlicensed casinos or uses clickbait headlines like "Get Rich Quick with XYZ Casino."

Brand Alignment and Exclusivity: Operators are increasingly seeking affiliates that align with their brand values and are possibly entering exclusive or preferred partnerships. We see deals where an affiliate may become an "official affiliate" of a certain operator – meaning they get certain perks (higher commission, co-marketing funds) in exchange for strongly featuring that operator. Kindred Group (Unibet's parent) at one point talked about shifting to deeper partnerships with fewer affiliates, where they can integrate more closely and share best practices.

Performance Transparency: Operators now expect deeper insight into how affiliates are generating traffic. In the past, an affiliate might just say "SEO" or "media buying", and that was that. Now operators often ask affiliates to declare their traffic sources (some affiliate programs even categorise affiliates internally as SEO, PPC, social, etc., to know what risk or quality profile they might have). They want assurance that no illegitimate methods (like spam, incentivised traffic or targeting self-excluded players) are used. Some affiliate contracts explicitly forbid certain channels (for instance, PPC bidding on the operator's brand terms, or advertising on sites targeting minors). Operators appreciate affiliates who are transparent about their methods and even share data – such as demographic info or site engagement stats – that indicates the users are genuine and interested. This builds trust and can lead to longer-term collaboration beyond just transactions.

KPI Evolution: The key performance indicators (KPIs) by which operators judge affiliates have evolved. It's not just Cost Per Acquisition or gross sign-ups. Now it includes things like *active rates* (what percentage of sign-ups turn into active depositing players), *retention* (how long do referred players stick around, or their 3-month retention rate), *ARPU* (average revenue per user from that affiliate's cohort), and even *responsible gambling indicators* (did any players from affiliate X trigger a lot of RG interventions?). If an affiliate's traffic shows red flags (like disproportionately more problem gambling cases or fraud attempts), operators will mark them as high risk.

In regulated markets like the US, some operators have even started adjusting commission deals to favour quality: e.g., an affiliate might get a higher revenue share if the players they bring have lower churn or higher deposit averages (this essentially pays affiliates for quality). In the UK, where lifetime revenue per player might drop due to potential regulations (like affordability checks), operators are keen that affiliates target players within the sustainable play range – sending a bunch of high-staking players who might fail affordability checks or self-exclude quickly isn't actually good for the operator's business under the new paradigm of safer gambling.

Collaborative Marketing: Some operators collaborate with affiliates for specific campaigns, expecting more than just referrals. For example, co-branded content: an affiliate might host a tournament or a leaderboard sponsored by an operator to drive engagement. Operators expect affiliates to contribute creative ideas and not just be passive traffic sources. This is especially with Affiliates 2.0 – an operator might sponsor an affiliate's podcast or video series, which both acquire players and serve as brand advertising. These integrated campaigns mean operators view top affiliates almost like external agencies or media partners, not just lead generators.

Reduced Tolerance for "Arbitrage-only" Affiliates: If an affiliate's model is purely arbitrage – say they chase bonus hunters and drop them on the operator – operators have grown weary of that. A notorious practice was some affiliates focusing on "bonus abuse rings" (groups of people who go site to site, exploiting free bets); operators now often identify such players and may not pay out commission on them. They are more likely to cut off affiliates known for generating many one-and-done bonus claimers. They'd rather have fewer, high-quality players even if it means lower volumes.

In summary, operators today expect affiliate partnerships to be **holistic, trustworthy, and value-adding**. The tone has shifted from the wild west "we'll take all the traffic you can throw at us" to a more curated approach: "we'll partner with those who bring us real, long-term customers and uphold our brand and compliance standards." Affiliates that understand and meet these expectations are flourishing (often getting better deals, more support from operators), whereas those stuck in old habits find themselves marginalised or even blacklisted. Essentially, the bar for an operator's preferred affiliate partner has been significantly raised.

6.2 Risk, Reward, and Capital Allocation

From an investor's perspective – whether it's private equity considering acquiring an affiliate business, or a public markets investor evaluating affiliate stocks – the affiliate sector presents a mix of high potential rewards and notable risks. In this section, we outline a framework for assessing affiliate businesses through the lens of risk and reward, helping investors allocate capital judiciously in this evolving landscape.

Growth Potential (Reward Side): The global online gambling market continues to grow, and affiliates often enjoy a leveraged exposure to that growth. In newly regulated markets (like parts of the US, Brazil, etc.), affiliates can ramp up rapidly without the high costs that operators bear (no direct marketing compliance costs like licensing fees or gambling taxes). This scalability means a successful affiliate can achieve high profit margins (top affiliates often have EBITDA margins of 40%+). For investors, this asset-light, high-margin model is very attractive – if sustainable.

Affiliates also have relatively low working capital needs (operators typically pay monthly, and players prepay their bets), so cash generation can be strong. Many affiliates are effectively cash cows once established, which can fund further expansion or returns to investors. The reward scenario is an affiliate that becomes a dominant gateway in a major market – for instance, being a top 3 sports betting information site in the US by 2026 could yield significant revenue as that market hits maturity. The addressable market for player referral in a large region is huge – H2 Gambling Capital or similar might estimate, say, X million betting customers by 2027 in a market; if affiliates drive 20% of those, the revenue pie to share is substantial[82].

Risks to Consider: 1. **Regulatory Risk:** Perhaps the biggest risk – regulatory changes can dramatically affect affiliates. A ban on certain types of advertising or a requirement to license (with costly fees or impossible conditions) can kill or constrain business models. Investors must gauge the regulatory trajectory in the markets in which the affiliate operates. For example, if an affiliate relies heavily on a market that might ban gambling ads (like some have speculated about a potential ban on sports betting ads in the UK akin to tobacco, though the UK stopped short of that, focusing on whistle-to-whistle bans and minor protections), that's a risk. Even if not banned, regulations requiring, say, revenue share affiliates to register and pay taxes could cut into profits. The scenario analysis should include: what if market X bans affiliate marketing or imposes draconian rules? Diversification is key – an affiliate in multiple jurisdictions is less exposed to one regulator's whim.

Platform/Traffic Risk: As detailed earlier, Google algorithm updates can have outsized impacts. An investor should examine how an affiliate sources its traffic. If 80% is from organic search, that's a single-point-of-failure risk. If a few pages drive a majority of traffic (common in SEO, where top rankings for key terms drive outsized traffic), that risk is higher – one rank drop and revenue falls. A more balanced portfolio (some SEO, some direct traffic due to brand, some social, some paid – and across many pages and keywords) is more resilient. Similarly, reliance on one platform like Facebook or on one influencer is a risk – what if that platform bans gambling ads or that influencer leaves?

Wider Industry and Macro Spillover Risk: Beyond direct affiliate-specific regulation, broader changes to the gambling industry can have indirect but material knock-on effects on affiliate businesses. A clear example is the proposed increase in gambling taxation in the UK from 2026. While affiliates are not directly taxed in the same way as operators, higher tax burdens can compress operator margins. When operator profitability is squeezed, marketing spend is often one of the first areas to be reviewed. This can translate into lower CPA rates, reduced revenue share percentages, stricter player qualification criteria, or a shift away from affiliate-led acquisition altogether in favour of owned channels.

These pressures can also accelerate consolidation among operators, reducing the number of viable partners and increasing affiliates' dependency on a smaller pool of large brands with greater negotiating power. In parallel, operators facing higher costs may become more risk-averse, tightening compliance standards or cutting exposure to markets, products, or player segments that affiliates previously relied on for growth.

Macro-level changes such as tax rises, advertising levies, affordability checks, or product restrictions can therefore ripple through the ecosystem even if affiliates are not the primary target. Investors should assess how exposed an affiliate is to a single market's economic and policy environment, how elastic their operator relationships are under margin pressure, and whether the affiliate has the ability to pivot traffic, content, or commercial models towards markets and partners with healthier long-term economics. Diversification across jurisdictions and revenue models again acts as a key mitigant to this often underappreciated risk.

Competitive Risk: The affiliate space has low formal barriers to entry – anyone can start a site – but high effective barriers at scale (brand, SEO authority, partnerships). Investors should assess whether the affiliate has a moat: strong brand recognition, exclusive partnerships (e.g., media deals), proprietary tech (which could yield a better user experience or SEO), or a community. If not, the risk is that others replicate what they do or out-compete them for rankings. The presence of large competitors in their markets should be assessed - are they in a segment ripe for consolidation or pressure?

Operational Risk: Running an affiliate business might seem simpler than an operator (no compliance in terms of handling bets, no customer funds, etc.), but it has its intricacies. Key person risk is one – many affiliates historically relied on the founder's SEO knack or relationships. If that person leaves after an acquisition (post-earn-out) or if their judgment falters, performance can decline. Investors should assess the depth of management and systems versus reliance on individuals.

Also, technological debt or weakness is a risk – e.g., if an affiliate's site is built on shaky tech and can't handle growth or changes, that's a problem. Cybersecurity risk is also present; though affiliates don't handle payments, a hack that defaces sites or steals user data (if they have accounts) could damage their reputation.

Relationship Risk: An affiliate's revenue typically comes from a handful of operator partners – sometimes a large portion from the top 3 operators. Suppose an operator decides to cut commissions or terminate the partnership, which can hit revenue. We've seen instances where big operators reduced revenue share percentages (some retroactively) or closed affiliate programs due to compliance. Investors should see if the affiliate has balanced operator exposure and if contracts have protections (though most affiliate deals allow operators significant leeway).

Risk Mitigation in Strategy: Investors would look for affiliates that mitigate these risks: - Regulatory: focusing on regulated markets (which may have restrictions but at least are stable and allowed), proactively engaging in compliance (less likely to be caught in breaches), possibly helping shape industry regulation via associations. - Platform: building direct audience (through apps, newsletters, type-in traffic) to not be fully dependent on Google; diversifying SEO strategy (long-tail content, multiple sites). - Competitive: establishing unique content or tools (e.g., an affiliate that has a popular odds comparison tool or betting tracker app has user stickiness). - Operations: strong team, good governance (some affiliates have embraced corporate governance as they went public – e.g., independent board members, etc., which can give comfort). - Finances: if reliant on revenue share, making sure they have healthy cash flow to weather short-term dips; if using CPA, ensuring they manage the cost per acquisition properly so as not to chase unprofitable volume.

Capital Allocation for Investors: If one is investing in affiliate businesses (either by owning stocks or buying them outright), balancing risk-reward might involve: - Not overpaying for peak earnings that might be ephemeral (for instance, an affiliate booming due to a temporary SEO advantage might warrant a lower multiple than one growing via brand and market expansion). - Possibly preferring affiliate models that align with the future (influencer networks, media partnership-based affiliates, etc.) because they have "momentum" and perhaps more insulation from pure algorithm changes. - But also diversifying across affiliates, focusing on different regions, because regional regulatory risks are not perfectly correlated.

Finally, one could consider that affiliates, despite risks, often have a **nimbleness and profitability** that many other digital sectors envy. They can pivot faster than operators in some cases (no legacy IT or compliance overhead of running games), so part of the investment thesis is betting on the agility and innovation of affiliate entrepreneurs to navigate headwinds (as they've been doing – those who survived since the early 2000s have navigated many changes).

In summary, investors should weigh the **high margins and growth prospects** of affiliates against a checklist of risks – regulatory shifts, platform dependency, competition, operational robustness, and partner concentration. The ideal affiliate investment is one where growth drivers outweigh these risks and where management has clearly strategised to mitigate them. Given the ongoing transformation, investors may favour those affiliates that have embraced change (tech, compliance, new channels) versus those clinging to old models, even if the latter still show strong short-term profits. It's a classic case of short-term earnings vs long-term resilience – in this environment, resilience and adaptability are key to sustained reward.

7. The Future Affiliate Landscape

Peering ahead to 2026–2028, we can envisage a few potential scenarios for how the affiliate landscape might evolve. These are not mutually exclusive – elements of each could materialise – but they paint different pictures of the dominant themes in the coming years. They range from a highly regulated, consolidated industry to one where new creative forces dominate, to a fragmented environment subject to constant disruption.

Scenario 1: Professionalisation and Regulation – A Smaller, More Compliant Ecosystem Dominated by Scaled Media Networks

In this scenario, the affiliate sector completes its transformation into a mature, tightly-regulated part of the gambling industry. Many smaller or non-compliant affiliates have exited, unable to meet the rising costs of business (compliance, technology, talent). What remains are a handful of **scaled affiliate-media networks** – think companies that resemble Better Collective/XLMedia/NewsCorp hybrids. These firms are licensed or certified in most jurisdictions where it's required, and they operate with a high level of scrutiny and responsibility.

Regulation might formalise this: for example, jurisdictions could introduce affiliate licensing akin to operator licensing. By 2028, perhaps the UK or the EU will have an "Affiliate Certification" scheme, and only certified affiliates can legally promote gambling. This would dramatically shrink the number of actors, effectively fencing the market to serious players only. Those players coordinate via associations to maintain high standards (much like how financial advisors have self-regulatory bodies).

These dominant affiliates likely have multi-channel offerings: review portals, odds comparison tools, tipster communities, and influencer networks all under one corporate roof. They are more integrated with the industry's infrastructure – possibly even part-owned by operators or media conglomerates. Their business models may shift slightly towards retainer or fixed-fee arrangements with operators (for guaranteed exposure), rather than purely performance, as operators view them as strategic partners.

Content from these affiliates will be polished and brand-safe, often indistinguishable from mainstream media content except for the presence of betting odds or offers. They will be **transparent** about advertising – no more shady practices – because compliance is paramount. Responsible gambling messaging will be omnipresent; affiliates might even have integrated tools for users to self-assess their gambling habits or find help, aligning with regulatory expectations.

For users, this scenario means that when they search for gambling information, they encounter well-known, reliable brands (which may have been affiliate start-ups years prior, but have since become household names or attached to household names). The "underground" affiliate will be rare, possibly only persisting in black markets.

Commercially, this smaller ecosystem might see **lower volumes but higher value per affiliate**: operators concentrate their affiliate budgets on a few partners, potentially deepening revenue share arrangements or paying premiums for exclusivity on certain channels. Investors might find these affiliate companies lower risk (due to stable compliance and relationships), but also lower growth (as market share is carved up and regulated marketing slows growth). Margins might compress somewhat due to compliance and operating costs, but they are still healthy if competition is limited.

Scenario 2: Creator-Led Expansion – Influencers and Streamers Become the Dominant Channel, Enabled by Tech Governance

In this scenario, the pendulum swings fully towards the creator economy. By 2026-2028, a large portion of new player acquisition is driven through social platforms, streaming, and community-driven channels rather than search or static content. **Influencer affiliates** – whether individuals or networks managed by affiliate agencies – rule the day.

We might see the emergence of entire networks of gambling content creators under affiliate management. Picture something akin to an esports team, but for gambling streamers – they have contracts, codes of conduct, and tech tools at their disposal, provided by an affiliate network that handles their sponsorships and ensures compliance. These creators could be on YouTube, Twitch, TikTok, Instagram, and whatever new platforms arise (VR metaverse casinos with streamers, for example).

The key difference from the chaotic 2020-2022 period is that by 2028, **technology-driven governance** keeps this channel in check. Platforms like YouTube and Twitch might incorporate age verification and content classification such that underage viewers are effectively filtered out of gambling streams. AI moderation might be deployed to detect if a streamer says something irresponsible (e.g., "this slot is a sure win") and either warn or temporarily block the feed. Affiliates and operators would likely insist on these measures to keep regulators appeased while still harnessing the reach of creators.

Creators themselves adapt to guidelines: they openly declare ads, they include safe gambling messages in their banter (perhaps even turning it into part of their persona – e.g., streamers could gain credit from audiences for promoting healthy habits like taking breaks). Some jurisdictions might allow influencer marketing, but with strict rules (like requiring a responsible gambling message every X minutes during a stream, or disallowing any mention of bonus offers on streams). The successful creator affiliates will navigate these rules cleverly – keeping content engaging while compliant.

The dominance of creators means that **traditional affiliate content might become secondary,** especially for younger demographics. A new gambler in 2028 might be more likely to start betting because their favourite streamer does, rather than because they stumbled on a top 10 sites list. This puts emphasis on personalities – one risk here is key person risk: if a top influencer quits or gets banned, that affiliate network loses significant traffic. But like with scenario 1, the industry might formalise ways to manage it (maybe backup influencers, or rotating content to not over-rely on one star).
From an operator perspective, this scenario would mean marketing departments more akin to talent managers, working closely with affiliate-run creator networks. Affiliate commissions might be augmented by sponsorship fees (for streamers with huge reach, a hybrid model of flat fee + commission is standard). Operators will also invest in their own branded content, possibly (some already have, e.g., live casino shows or podcasts), to not cede all ground to independent creators.

This world could see a lot of **innovation in content formats**: interactive betting streams, viewer prediction games integrated into streams, AR/VR experiences with influencers guiding you through virtual casinos, etc. Affiliates would be at the forefront of that, as they are incentivised to come up with new, engaging ways to attract players.

Scenario 3: Fragmentation and Volatility – Uneven Outcomes Amid Constant Disruption

In this scenario, change remains the only constant. Neither the professional consolidation of scenario 1 nor the full harnessing of creators in scenario 2 completely comes to pass without hiccups. Instead, the affiliate landscape continues to be buffeted by sudden regulatory moves and platform changes, leading to **fragmentation**.

We might see some markets shutting down affiliate activity (e.g., a major country might outlaw performance-based gambling marketing as part of stringent ad reforms), which causes affiliates to refocus elsewhere – that could fragment global players into more regional focus out of necessity. Platform volatility could also escalate: imagine Google making further changes like integrating betting information directly (so not just AI summaries, but maybe partnerships that show odds in search results, cutting affiliates out further), or social media going through cycles of banning and unbanning gambling content depending on public pressure. Each twist creates winners and losers – perhaps one year affiliates with a strong Facebook presence thrive because Facebook eases rules, but the next year a scandal causes a crackdown, and they suffer.

New entrants could also disrupt with novel approaches – for instance, suppose there's a rise of **decentralised or community-led affiliates** where user communities share referral codes among themselves, enabled by blockchain tech, reducing reliance on traditional affiliate businesses. This could fragment traffic sources to myriad micro-influencers or peer referrals (some kind of Web3 gambling affiliate decentralisation). It might not dominate, but it could nibble away at the larger affiliate share.

Volatility might also come from economic cycles: if regulations enforce stricter affordability checks, player values drop, and some affiliates dependent on high-rollers lose revenue, causing them to pivot or sell. Or a major operator might decide to bring certain affiliate functions in-house (for example, launching their own content hub to cut out middlemen), disrupting affiliates who fed on that.

Under this scenario, we don't see a stable new equilibrium by 2028, but rather continuous adaptation. Some affiliates will fold because they misread a trend or were too slow to adapt to a new platform norm; others (often smaller, nimble ones) might spring up and capture new niches quickly. It would be a bit of a rollercoaster environment, possibly with less predictability in revenue for all players.

The **outcomes would be uneven**: a few affiliates might still skyrocket in value because they bet on the right market or technology at the right time, while others collapse after a policy change or algorithm update. Investment in the sector would be cautious unless deals are structured in risk-sharing (like heavy earn-outs or contingency payments).

All scenarios underline that affiliate marketing is in *transformation, not terminal decline*. Whether dominated by corporate-like entities, creator-driven communities, or in constant flux, the role of affiliates – connecting players with gambling opportunities – will remain integral, albeit in different forms. The exact trajectory may combine elements: perhaps large compliant firms that also run influencer networks, with occasional disruption from new tech. Stakeholders should be prepared for all possibilities: a need for tighter internal controls and licensing (scenario 1), an increased focus on creative talent management (scenario 2), and resilience plans for sudden shifts (scenario 3).

What is clear across all futures is that trust, compliance, and genuine value delivery (be it via information or entertainment) will be the pillars of long-term success. Affiliates who build on those pillars will navigate whichever future unfolds and continue to be key players in the iGaming marketing landscape.

Conclusion

The affiliate marketing model in iGaming is undergoing profound change rather than facing extinction. Where once growth was driven by SEO tricks and unregulated free-for-all promotion, the future will be defined by **trust, compliance, technology, and authentic engagement.**

Regulatory pressures, from advertising crackdowns to formal licensing, have raised the standards – only those affiliates who operate as responsible, transparent businesses will thrive in the long run. This is a transformation from an era of quick-win arbitrage to one of sustainable, professional marketing partnerships.

Simultaneously, platform evolutions have upended traditional traffic sources. Google's search results now favour expertise and authoritative content, forcing affiliates to elevate their game or lose visibility[67][68]. Social media and streaming have opened new frontiers, rewarding affiliates who harness influencer trust and real-time interactivity.

Affiliates are reinventing themselves as content creators, community builders, and media strategists – far beyond the comparison sites of old.

Rapid advances in marketing technology present both opportunity and risk. Affiliates deploying AI and data analytics can tailor user experiences and optimise conversions like never before, achieving efficiency gains that would have been unimaginable a few years ago[8][9]. But those same tools, if used carelessly, could erode the quality and integrity of content, inviting regulatory censure and user cynicism[71][72]. The winners will be affiliates who leverage technology to enhance genuine value – providing bettors with accurate information, engaging entertainment, and useful tools – while rigorously maintaining compliance and ethical standards.

For affiliates, operators, and investors alike, the strategic implications are clear. Affiliates must **adapt or fade out**: diversification of traffic, investment in brand and content quality, and embedding compliance into their DNA are now prerequisites, not optional extras. Operators must recalibrate affiliate relationships towards deeper collaboration, focusing on player lifetime value and brand alignment rather than volume at any cost. The old metric of "cost per acquisition" in isolation is giving way to holistic evaluations of customer quality and marketing channel risk.

Investors need to approach the sector with a nuanced understanding: the days of easy profits from SEO arbitrage are waning, but in their place is emerging a more resilient, multi-faceted affiliate industry capable of long-term sustainable returns. Well-run affiliate enterprises – those with diversified user acquisition, strong governance, and adaptive talent – will remain attractive assets, even as less agile competitors fall by the wayside.

In essence, affiliate marketing in iGaming is not dying; it is evolving into a form that is more attuned to the realities of the modern digital and regulatory environment. Far from being disintermediated, affiliates are embedding themselves as essential players in the ecosystem – as trusted introducers of players, as providers of content and context that operators may struggle to create themselves, and as innovators in reaching new audiences responsibly.

As we head into 2026 and beyond, long-term success in the affiliate sector will hinge on balancing three core elements:

- **Trust and Compliance:** Affiliates must be every bit as diligent as operators in meeting regulatory requirements and fostering player trust. Those that position themselves as safe, reliable sources will be preferred partners for both players and operators[5].
- **Technological Mastery:** Embracing AI, first-party data, and evolving platforms will separate leaders from laggards. But mastery means control – using technology to assist, not to cut corners or mislead.
- **Authentic Audience Value:** Whether through insightful analysis, entertaining streams, or convenient tools, affiliates must offer real value to their audience. This engenders loyalty and organic growth. Affiliates 2.0 are, in many ways, media companies and community hubs. Their fortunes will depend on serving their audience, not just gaming search algorithms.

The journey from "Affiliates 1.0" to "Affiliates 2.0" has not been smooth, and further disruptions will surely come. Yet the trajectory is towards a more mature industry that can withstand scrutiny and deliver consistent results. We expect a smaller cadre of highly capable affiliate organisations to dominate, flanked by agile creators and niche specialists, jointly ensuring that the affiliate channel remains a cornerstone of iGaming customer acquisition.

In conclusion, the affiliate sector is reinventing itself in real-time. Stakeholders who understand the direction of change – towards greater responsibility, creativity, and data-driven precision – will be best placed to thrive. Those who cling to outdated playbooks will find the new landscape unforgiving. But for the adaptive, the future is bright: **Affiliates 2.0 will not only survive, but in many cases will set the agenda for how iGaming brands connect with the connected, discerning consumers of the digital age.**

Key Terms and Definitions

- **CPA (Cost Per Acquisition):** A commission model where affiliates are paid a fixed fee for each player they refer who meets a predefined action, usually making a first deposit or wager. For example, a £150 CPA means the affiliate earns £150 for each new depositing player.
- **Revenue Share (Rev Share):** A commission model where affiliates receive a percentage of the gambling operator's revenue generated from the players they refer. For instance, a 25% revenue share means that if a referred player loses £100 (net of taxes/bonuses), the affiliate earns £25. Revenue share deals often last for the lifetime of the player (subject to contract terms).
- **LTV (Lifetime Value):** The total net revenue or profit a player is expected to generate over their active lifetime on a gambling site. High-LTV players are long-term, valuable customers. Affiliates and operators use LTV to gauge the quality of traffic – a higher average LTV per player implies more sustainable, profitable referrals.
- **First-Party Data:** Data that an organisation collects directly from its users or customers through its own channels (website, apps, sign-up forms, etc.). For affiliates, first-party data could include a user's preferences tracked on the affiliate site or their subscription info. It contrasts with third-party data (collected by an external party). First-party data has become crucial as privacy rules limit third-party tracking.
- **Attribution Models:** Frameworks for assigning credit to marketing touchpoints that lead to a conversion (such as a player signing up). Different models include *last-click attribution* (all credit to the final click before conversion), *first-click* (credit to the first interaction), or *multi-touch attribution* (distributing credit among multiple interactions along the customer journey). Advanced attribution helps affiliates and operators understand which channels or actions contribute most to acquiring quality players[83].
- **Creator Economy:** An ecosystem where individual content creators (influencers, streamers, bloggers, etc.) monetise their content and audience, often through social media and platforms like YouTube, Twitch, TikTok. In the context of iGaming, the creator economy refers to influencers and streamers who produce gambling-related content and earn via sponsorships or affiliate commissions. They represent Affiliates 2.0, leveraging personal brands and communities.
- **Affiliate Liability:** The shared legal and regulatory responsibility that gambling operators and affiliates bear for ensuring marketing compliance. If an affiliate breaches advertising regulations, the operator is liable as if it ran the ad[5]. Increasingly, affiliates themselves can face direct penalties or need licensing. Affiliate liability underscores that affiliates are accountable for the content and targeting of their promotions, just like the operators they work with.

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