

Betfair Ensures IT Scalability and Performance to Support Explosive Growth



Betfair
London, England
www.betfair.com

Industry:
Media & Entertainment

Annual Revenue:
US\$277 million

Employees:
1,000

Oracle Products & Services:

Oracle Database
Oracle Real Application Clusters
Oracle Coherence

Key Benefits:

- Gained the ability to process 20 million transactions daily
- Enabled Betfair to process 1,000 bets per second at peak times
- Ensured processing of 99.998% of bets within one second
- Achieved an average transaction time of 23 milliseconds
- Created a data infrastructure that supported 65% year-on-year revenue growth

“Oracle Database has enabled us to set new performance benchmarks in a real-time environment experiencing exponential growth.” – Rorie Devine, Chief Technology Officer, Betfair

With 1 million registered customers in more than 90 countries, Betfair, the world’s first and largest betting exchange, processes up to 20 million transactions each day and places more than 1,000 bets a second during peak periods. Daily page views currently stand at 517 million, and the company recently hit new records by reaching 4 billion page impressions in a single week.

Betfair has staked its business on Oracle’s real-time technology to meet the speed, performance, and scalability needs of one of the busiest and most time-sensitive applications on the internet.

In contrast to traditional bookmaking, Betfair’s peer-to-peer betting model allows customers with opposing views to place bets directly against each other online. Punters can also modify their positions during the course of a sporting event through in-play betting. Response time is the key metric for Betfair in a business in which delays of a split second are unacceptable, and even minor shifts in performance have a multi-million-dollar impact on the bottom line.

Oracle’s high-performance architecture allows the company to place 99.998% of bets within one second, even during peak periods. Money won and lost is transferred to or from each customer’s electronic account with average transaction time of just 23 milliseconds. Betfair commands a 90% global market share of the betting exchange industry. As further evidence of its success, Betfair has won a Queen’s Award for Enterprise and a National Business Award for the Best Use of Technology.

Leading-edge technology continues to drive growth and performance, with Betfair’s team of technology specialists spending up to 25% of their time on engineering new innovations and road testing emerging technologies.

65% Year-on-year Revenue Growth

Since 2000 when Betfair launched the betting exchange concept in the United Kingdom, Oracle Database technology has helped to support the company's rapid expansion—which is greater than that of eBay at the same stage in its development. Upgrading to newer database releases has further increased performance and capacity, enabling the company to double customer numbers and transactions annually and sustain revenue growth of 65% year on year.

The popularity of peer betting has spread globally, resulting in 50% of Betfair's new customers coming from outside the United Kingdom. The company leveraged Oracle's scalable IT architecture to open new exchanges in Australia and Malta becoming the world's most active betting forum.

Oracle Coherence provides a cache platform, facilitating transaction processing and increasing application performance to improve bet-matching speed. With customer churn low, Betfair's strategy is to maximize revenue from each client and broaden its appeal to a larger user base of less experienced punters through a wider range of offerings. In 2002, the company extended its peer-betting model with Betfair Games, an online gaming exchange for poker, blackjack, and baccarat. Betfair Games averages 15 million transactions per day, enjoys a 20% share of the market for online games, and represents an increasing percentage of Betfair's revenue.

One of World's Busiest Databases

Betfair's commitment to using best-of-breed and the most advanced, proven technologies to manage an extremely demanding environment has paid dividends.

"Oracle's scalability allows customers to jump from race to race at peak periods, with no loss in performance. Our Oracle Database ranks among the five busiest databases in the world, and we are the only bookmaker with sporting exchanges linked in real time," says Rorie Devine, Betfair CTO.

Growth through acquisition also is key to Betfair's strategy. In 2006, the company purchased Timeform, a world-renowned publisher of horse racing ratings and related publications.

Real-time Intelligence Grows Competitive Edge

Betfair generates up-to-the minute business intelligence with its data warehouse that operates on Oracle Database with Oracle Real Application Clusters. The system extracts data from the front- and back-office applications, feeds it into the warehouse, and analyzes it to create management reports and information dashboards for decision makers. By switching from a proprietary to Red Hat Linux operating platform, Betfair has generated a 75% improvement in extracting, transforming, and loading data while cutting overhead.

“The Oracle-based management information system addresses our need for speed and accessibility by allowing us to analyze customer behavior patterns in real time,” Devine said. “The intelligence it provides gives us the agility to respond to new trends and grow our competitive advantage. Our ability to continually reinvent our business with new betting types and features has helped increase Betfair’s share of the total U.K. gambling market from 4% to 10% in the last four years.”

Robust Data Security and Fraud Control

Minimizing the risk associated with gambling is high on Betfair’s agenda. The company has reduced fraud significantly with built-in detection tools and robust processes to identify traffic and transactions that fall outside the norm of average punter activity. Oracle’s out-of-the-box encryption functionality ensures the integrity of confidential customer information stored in Oracle Database. “Oracle is the back end for all data entry, which makes it critical to our success in controlling fraud as part of a robust range of measures we have taken to protect our clients,” Devine said.

Partners in Innovation

Betfair’s strong relationship with Oracle has been mutually beneficial in helping both companies challenge the limits of technology in the drive for innovation and continued market leadership. Developers from Betfair enjoy peer relationships with their Oracle counterparts, which ensures that functionality enhancements required are incorporated as standard in future releases. Collaboration allows both organizations to share market intelligence and shape product development strategy.

“We are a technology company almost as much as a gaming

company, and we employ some of the best Oracle Database administrators in the world,” Devine said. “The nature of our business means we test Oracle technology to the limits and beyond. Giving our feedback helps Oracle develop the most robust new products while ensuring that Betfair continues to operate at the leading edge.”

Why Oracle?

Betfair chose to build its business on Oracle because of Oracle’s market-leading, real-time infrastructure, proven track record, and long-term product roadmap.

Betfair is now testing the database performance and improvement management features of Oracle Database 11g and plans to upgrade to the new release when that is completed. Oracle Database 11g and its change assurance functionality help to lower the risk and cost of implementing new software and applications while streamlining system changes and updates.

Betfair is also evaluating the new automatic storage management features that can reduce the amount of storage required for data sets by up to two-thirds. “We are particularly impressed with the database replay system that allows us to capture workloads from production systems at the database level and change and replay SQL workloads before making modifications to the database,” Devine said.

Implementation Process

Betfair carried out the initial implementation and all subsequent upgrades using its expert team of Oracle Database administrators.

Betfair’s owes its success to its uncompromising approach to service excellence and innovation, and refusal to take any risks with technology. “We believe that we offer customers greater value, choice, and security,” Devine said. “Betfair is the only betting exchange to have achieved ISO 27001 accreditation for the controls we have put in place to safeguard the confidentiality and integrity of customer data. We share Oracle’s commitment to pushing back the frontiers of technology to further enhance our market share as the online gambling business explodes.”

Betfair is the world’s leading betting exchange, a concept it pioneered. The company has a 90% global market share with 1 million registered customers in more than 90 countries.