



A missed opportunity

Itsik Akiva says US casinos are failing to take full advantage of cross-channel convergence

Land-based gaming is regulated in more than 40 US states and there are more than 1,500 casinos across the country. Besides their brick-and-mortar casino and hospitality operations, real-money online gambling was expected to be the natural evolution for land-based brands. However, so far only three states have regulated real-money online gambling, and while others are often mooted as the next markets to regulate, there are no specific timelines or concrete proposals to base any plans on.

In the meantime, casinos are eager to establish online presence through currently available products – primarily social gaming but also daily fantasy sports, which are normally readily accessible through simple integrations with leading casino technology providers or through partnerships with gaming studios.

The strategy and objective for online gaming expansion may vary by operator: monetising through online purchases, driving customers back to the land-based establishments, increased brand engagement or simply building a database in preparation for regulation.

In recent years we have witnessed tremendous growth in the adoption of social casino games by traditional land-based operators. Those can be split into two primary types of operations: companies that are motivated by making a profit through the operation of a dedicated and separate social gaming platform, often through acquisition of existing social gaming operators and studios, and companies that are primarily looking to leverage online gaming to engage patrons remotely and ultimately drive them back to their land-based properties. The former is

currently dominated by the likes of Caesar's Interactive (CIE) and Churchill Downs Interactive (through the acquisition of Big Fish) and represents a strategy that would be very hard and costly to replicate in an already extremely crowded space. The latter represents a more attainable strategy for most US land-based casinos, and it indeed seems like many operators have either already integrated with one of the numerous providers or are in the process of doing so.

At the core of this strategy is a simple yet very impactful vision. On one hand, engaging and exciting players through a personalised customer experience while they enjoy their favourite games and titles across land-based, online and mobile; and on the other hand having the ability to gather millions of pieces of data from various platforms and systems into a single, all-around view of

players, including their activity, preferences, and habits. Tying the two together is often referred to as the point of convergence between land-based and online gaming which, when properly executed, allows us to translate all this data into comprehensive and relevant marketing tactics that can enhance and positively influence the behaviour of our customers. This customer-centric approach allows operators to seamlessly and consistently interact with customers across multiple touch-points while providing a superb and meaningful experience every time they check in to hotels, visit casinos or log-in to play online.

Yet, despite the readily available technology and the ever increasing number of operators that now offer some form of online gaming to their customers, it seems that the majority of operators do not take full advantage of the convergence opportunity. It is not uncommon to see casinos that offer online gaming on their websites or mobile apps not linking the online accounts to their land-based loyalty scheme. Moreover, even when such integrations occur, many operators fail to unlock the full potential represented through the wealth of data now available to them through the online channel – be it for marketing purposes or to take the interaction with their customers to a whole new level.

In some cases, this could be purely related to technical challenges surrounding integration, but given the maturity of the technology and the fact that many online vendors also provide the gaming systems for those same casinos, I believe that technology is only the secondary reason for this gap. As with any other product integration, the potential of technology is limited by the level of adoption by the organisation and the people that run it.

When companies adopt an interactive model which solely focuses on generating a profit from their social gaming products without bothering to tie those players to the land-based activity, it makes sense to manage such activities as separate departments or even separate business entities. However, when the aim is to leverage the opportunity to converge between online and land-based, a strong focus should be placed on actually converging between the two, and not just from a technical standpoint.

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Wouldn't it be ideal if your online play always contributed towards your loyalty status? Or if when checking in at the hotel the receptionist would welcome you as one of their top online players even if it is your first time visiting this casino? How about if casino staff recognise that you have never played online and can assist you to download the app and get started? Companies which have properly integrated between their land-based and online operations report increased revenues in the millions of dollars per year (and some even tens of millions) from online purchases as well as increased visits and spend at the brick-and-mortar establishments in what seems to be a win-win for everyone, so why can't all operators make the most of this? While this may be the first time an online gaming product is being added to the portfolio of land-based casinos, this is not the first time we are seeing such ▶



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Casinos have a view of customers' non-gaming spend, so why not integrate their online gaming activity?

integrations take place. Not too long ago hotels had limited visibility into their guests' spending at the casino, spa, restaurant or entertainment venue, but technology was there to help connect all of those data points into a more complete view of patrons' activity, which is now being leveraged for more advanced marketing and guest management. In fact, in most cases, connecting data from online gaming to a CRM system should be less challenging than connecting any other verticals and will result in more accurate and actionable data.

If technology is not the main hurdle for adopting a true convergence strategy, one must wonder if the challenge lies within the organisation itself. A quick look at the structure of many casino operators reveals the existence of a separate function in charge of managing interactive activities. While there is clear justification to place the day-to-day responsibilities in the hands of skilled and dedicated teams, such functions should not operate in isolation, but rather be embedded in the vision and strategy of the hotel and casino as a whole. Only when everyone in the organisation understands what is being offered through the online product and how it contributes to the overall success of the company will they be able to properly present it to their guests and minimise the disconnection.

Just as we expect the concierge or reception manager to know everything about the casino, spa, restaurants, entertainment and any other hotel services, they should have proper training and strong knowledge of the online gaming offering, and at the very least have the ability to provide first-level service to inquiring guests.

But this adoption doesn't start and end within the walls of the hotel. Many casino operators rely on external agencies to help

them drive guests to the hotel, advertise online and manage their CRM. Such vendors often have very limited understanding of online and social gaming, and as a result a second agency with online gaming experience will be selected and the two will operate in parallel tracks. This is a missed opportunity since promoting both the land-based and online products under one centralised digital marketing platform enables operators to collect a far greater amount of data and turn it into meaningful and actionable insights while leveraging potential synergies and reducing overall marketing cost. Moreover, integrating data between the user acquisition platform and the hotel's CRM tool allows for removals any silos and put all of the relevant data to work towards forming profiles of our best guests based on their activity across all verticals, be it on premise or online. This data is then leveraged to re-target those exact same customers via online and mobile ads with relevant messages and offers, and can also be enhanced with available third-party data in order to help create profiles for similar high value customers and target them at a lower cost through look-alike campaigns.

In conclusion, in order to reap the rewards of their online gaming expansion and offer

customers a truly joined-up experience, land-based casino executives must recognise the full potential it represents and implement a strong and cohesive plan to ensure the adoption and backing of the online product

across the organisation. Proper technical integration

followed by the ability to unify data and leverage insights gained from the vast amount of information collected across all verticals is a great starting point which must be complemented by a management's commitment to support the online strategy. This can be achieved by adjusting

the organisational structure, embedding the new vertical across

all customer-facing functions, and providing training and ensuring staff are knowledgeable about the online offering, and thus better equipped and motivated to promote it to their guests. ◀

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