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DEMOGRAPHIC DILEMMA

The challenge of
connecting with
today's player



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THE MILLENNIAL FACTOR

Millennials Like Gaming. Period.

BY PATRICK WATSON



Millennials are typically portrayed as an elusive bunch when it comes to casino gaming. Articles often highlight the numerous challenges associated with convincing them to walk through casino doors since their core makeup seems to have crafted them into a generation uninterested in traditional gaming. The paradigm “Millennials don’t gamble” has become pervasive throughout the industry.

Comparative research into this topic has been difficult because data sets do not exist from previous generations. For example, there is no reliable way to discern how 20–35-year-olds felt about gaming in the 70s. Since the gaming business has changed so much in the last 25 years, it is also impossible to use business results to draw any sort of legitimate conclusion about this generation’s propensity for gaming.

Is it fair to say, then, that Millennials shy away from gaming just because the industry has not reliably figured out how to encourage them to visit regularly?

Drawing a slightly strained but relevant comparison, young people in the 60s absolutely loved listening to Frank Sinatra croon about Luck being a Lady. However, few Millennials would include this artist and song on their favorite Apple Music playlist today. Are we to conclude that Millennials don’t like music?

Millennials, for all of their supposed differences, may simply require different motivations to participate in what we know are universally enjoyed human activities.

UNIVERSALITY OF GAMING AS ENTERTAINMENT

People enjoy gaming as a form of entertainment – they always have. The thrill of taking responsible risks towards a hopefully favorable outcome, and the excitement that comes with playing a

game that may lead to that outcome, is truly universal. Millennials, like every other generation before them, enjoy gaming. But, like every generation before them, they have grown up in a society fundamentally changed from the one that came before, and a culture that values different things. Exposure to tremendous advances in technology, to never-before-seen levels of interconnectedness between people and to always-on entertainment has provided for a generation that expects more than ever before from the service providers that wish to captivate them.

Imagine an online game where one can procure different cosmetic treatments for in-game items known as “skins.” These “skins” do not affect gameplay, but they have value nonetheless and people are willing to pay for them. Now, imagine using these skins to bet on standard games of chance, such as roulette, in hopes of winning more and selling them in the e-marketplace set up for such transactions.

Starting roughly in 2013, “skin gambling”¹ (i.e. the wagering of these skins in popular multiplayer games such as Counter Strike: Global Offensive) has grown to become a multi-billion dollar industry. Although completely unregulated and currently the subject of legal study, many sites exist to allow for this form of gaming – one which caters almost exclusively to the Millennials who love to play these games.²

DECONSTRUCTING WHAT'S IMPORTANT

As a generation that has grown up with the Internet and the ubiquity of knowledge and information that it provides, Millennials are leading the way towards the evolution of many markets. Gaming is no different than retail, movies and music in that it must change to become more relevant to a new generation. The best part, though, is that other generations will also likely follow suit — as they have with social media, online shopping, messaging, etc. — so this change is simply a market evolution towards the next generation of gaming value.

In order to ascertain what's important to Millennials, we must touch on the elements to which this generation has become accustomed. We must determine how these can be leveraged to drive more value for them, and hence greater desire for play. The key factors include:

Relevance and personalization — Millennials have grown up in a world where targeted, relevant information has become the norm. As such, their expectations are that information presented to them should be specifically tailored to their needs. For example, it is no longer enough to simply send an email to a tiered group providing a gaming offer at a casino. Rather, they hope for an offer that takes into account the type of next-generation slot machine they last played, their past achievements, play style or relevant entertainment choices based on the last shows they have attended.

Using online or mobile to deliver tailored individual messaging allows casinos to encourage players to act quickly and effortlessly to benefit from rewards and offers that are useful to them. This requires casinos to rethink their player data models to ensure that the benefits offered make sense to the person, not to the groups of people.

Ongoing relationship to create the Online>Offline (O2O) Cycle — Millennials have become accustomed to an always-on world. If they want to buy something, they can pull out their phones and, with a few presses, take delivery the next day. Casino gaming cannot necessarily follow this approach due to regulatory restrictions, but the brand experience that casinos create certainly can cross the boundary from real to virtual.

Casinos provide a unique service offering; as soon as a player walks out the door, the wonderfully rich and immersive curated experience vaporizes. As such, it is key to encourage quick return to this experience through online or mobile rewards. This allows the engaged Millennial player to continue to benefit from the casino offering, albeit in a non-monetary transactional way. The forms of entertainment that can be used to captivate players outside the casino walls include expanded online benefits, games, promotions, surveys, social media activities and numerous others.

Making these relevant to both the player and casino is of primary importance. Millennials have exhibited good brand loyalty when a brand truly cares about them. As such, it is crucial to craft an experience which promotes all of the benefits of the casino, tailors the offerings to them based on known data and pushes them to return. Consumers of all ages respond excellently to well designed offline>online>offline (O2O) cycles, and gaming has barely scratched the surface of this powerful approach towards driving feet through the door.

It's all fun and games — Gaming is about games. As such, the whole experience, whether related to loyalty, offers or any other casino element, should be prefaced with one question: How can this experience be fun? Despite casinos spending hundreds of thousands of dollars promoting themselves as the best place to play, many of the online interactions players experience lack any element of fun. Sometimes referred to as gamification, play forms an integral part of what a casino can do to always engage Millennial players, whether they are playing a game, entering a contest, receiving an offer, or even just checking point balances.

AN EXAMPLE OF RELEVANT PLAY TO ENCOURAGE O2O

In a recent initiative operated for one of Canada's lottery corporations, BCLC players were invited to use codes on tickets to receive entries into a secondary transactional environment. This environment extended the play experience by allowing those entries to be committed to different prize draws. This apportioning of entries could be changed at any time at the player's discretion. Entries could also be used to "trade for play" in an instant win quick-play game offering both winning and non-winning outcomes.

This approach was wildly successful at engaging all ages but specifically, 40 per cent of players were under 40. In addition, a particularly interesting statistic was that almost 10 per cent more players under 35 chose to allocate and deallocate entries throughout the promotion, while also trading more entries for more spins towards more chances to win. Players were then encouraged to visit a retailer to obtain more entries for prizes, thereby completing the cycle.

ENGAGING MILLENNIALS TO ENGAGE THE MASSES

Examples like the one above demonstrate that Millennials can be engaged through innovative online and mobile means to drive offline to online to offline (O2O) behaviour. The best part of this, however, is that the tactics noted here do not solely benefit this demographic. In fact, markets that have figured out how to engage this generation have seen tremendous benefits in providing services that older generations also appreciate, albeit at a bit slower rate of adoption. This should come as no surprise, though, since the new generation has often been most responsive to new strategies which can then be unveiled to the masses.

Millennials DO like gaming, but they need more than just a fancy slot machine and a great dinner to encourage them to play more. They need personalized and relevant value available anywhere at anytime in a fun and engaging manner. And to be honest, don't we all? ■

Patrick Watson, CEO of SplashDot, has been immersed within the gaming loyalty industry for well over a decade. He has worked with casinos, lotteries and private sector organizations to craft unique and leading-edge strategies that have resulted in significant paradigm shifts in the loyalty realm. SplashDot helps casinos and gaming organizations keep players and prospects engaged by offering unique loyalty and relationship marketing strategies and solutions that encourage repeat visitation and increased play frequency. The company was also instrumental in helping create igaming loyalty portals for two of Canada's most successful online gaming organizations – BC Lottery Corporation and Atlantic Lottery Corporation. For more information, visit www.splashdot.com

1. Wikipedia – Skin Gambling - https://en.wikipedia.org/wiki/Skin_gambling

2. EEDAR esports Consumer Analysis - http://www.eedar.com/reports/EEDAR_esports_Consumer_Analysis_2015.pdf