

The essence of synergy

The coming together of the remote and bricks and mortar sectors just keeps on gathering momentum

THE convergence of the land-based and online gaming sectors is continuing at a rapid pace.

Gaming machine manufacturers in particular have recognised the need to market their games in the online space in order to take advantage in the growth of remote gaming, especially in the mobile devices sector.

One of these is WMS Industries (now part of Scientific Games), which in 2012 created a wholly-owned subsidiary, Williams Interactive, to focus on the distribution of its deep catalogue of casino games through free play and real money platforms, thus taking advantage of emerging digital distribution channels.

"We are continuing to pick up momentum across our social and real money businesses," said Williams Interactive's head of marketing, Rory Shanahan. "In real money gaming, our remote game server now fully incorporates the Barcrest catalogue of games made popular offline by SG Gaming in addition to WI originals and the industry-leading games from WMS Gaming.

"Recent launches like Zeus III on our Reel Boost game engine and Raging Rhino on the Any Way game engine have been spectacular performers for us. And of course the well-known Rainbow Riches game continues to impress with players across Europe.

"On the social side of our business, our Jackpot Party Social Casino continues to rank as a top five Facebook casino game and top 10 iOS/Android application, while our recently launched Gold Fish Casino Slots is now live on desktop and mobile and is showing impressive month-over-month gains.

"We're also shortly launching with another large customer for our Play4Fun Network, our white-label social casino platform, about which we're extremely excited. In current deployments of our Play4Fun Network, we're seeing outstanding player engagement and monetisation rates and our customers are reporting that their offline players engaging with Play4Fun are spending more on their casino floor while also spending money online - the best of both worlds.

"We offer the solutions operations need to optimise the benefits they see from the convergence of online and offline gaming experiences, anchored by extremely compelling casino content."

He added that this convergence is all about the player experience and evolving player preferences. "Players who enjoy casino-style games want access to those

games in the format and channel of their choosing at the time of their choice, creating an exciting opportunity for land-based casinos to engage their players outside their casino floor.

"The ability to compete for your players' attention wherever they prefer to play, in whatever format they prefer - at a casino or betting shop, online or on mobile devices - is to us a key ingredient to both short and long-term success for any operation.

"Our view is that there is plenty of room for both experiences from the same operator, but to not offer entertainment when and where players seek it can be very limiting for an organisation's growth and ability to deepen their relationship with their players.

current casino demographics and also from the much-coveted millennial generation which not only enjoys but demands access to their favourite brands on their smart phones and tablets."

Asked by *InterGaming* whether online needs recognised land-based brands, Shanahan said: "It certainly helps, but our philosophy is that great games will win out. The benefit of our deep library of proven UK and Vegas-style casino content is that the maths and the game experiences have been proven over decades of in-casino and in-shop player engagement.

"We're aware of which math models and which brands provide those experiences that players keep coming back for and working off a 20-year catalogue of content gives us a



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great pool from which to choose the next entries into our online roadmap. And our land-based sister companies, WMS Gaming and SG Gaming, continue putting out new original games as well, so our library of hundreds (or thousands) of titles continues to grow monthly - a great advantage for both our free play and real money product lines."

Turning that around, Shanahan agrees that land-based operators need an online presence. "It's essential for land-based operators to provide their players the experiences they seek, when and where they want them, to maximise the entertainment those players are provided and increase the benefits to the operation.

"Digital engagement with your players opens the doors to all sorts of new

engagement and monetisation opportunities, from digital marketing tools like push notification and geo-fenced messaging to new engagement mechanics like those proving popular on social casino games (leveling up, achievements, tournaments, etc). The online and mobile prevalence of your brands is priceless to the long-term viability of your operation."

Land-based operators should only be worried about online competition if they don't plan to engage their players online themselves, Shanahan says. "The biggest competition I'd see for a terrestrial casino without an online presence is from their competitor across the street who is offering compelling casino entertainment to their players on premises, at home and on the go."

He believes that convergence will continue to be a hot topic for the foreseeable future, especially as more of the "first movers" taking advantage of both online and offline player engagement opportunities begin to move further ahead of their competitors who are more in a "wait and see" mode.

He added: "But convergence isn't a new concept to this industry - for example, it's something WMS was talking about long before it established Williams Interactive to more aggressively pursue this industry sector, with technologies like its Player's Life Web Services introduced in 2010.

"So while the topic remains relevant and should continue to do so for some time, there are clear examples of companies who hit the ground running and have quite a head start. In the US, for example, Caesars has permeated its gaming experiences (under various brands) in the offline and online gaming industries to create a compelling ecosystem for its players which it could leverage to incentivise 'round trips' - getting its players back and forth between their online and offline properties.

"I worry that the future of convergence may contain footnotes of those companies who failed to act when they could and had to cut back or close altogether as a result, but there are plenty of ways to avoid that fate. My greatest hope is that more terrestrial casino operations worldwide will take notice of the opportunities available to them and will begin building their own branded online player community to start engaging their players online as soon as possible."

Austrian gaming machine manufacturer Apex Gaming has already gained several years of experience in the online business. The first step was to introduce mobile



Comtrade Gaming general manager Aleš Gornjec

gaming as a free-to-play app. Named Magic Mobile, this contains the most popular Apex games and so allows potential new players to get to know the games before playing on the real Apex gaming machines. The company's vision is called Apex Mobile Slots, as introduced at the ICE show in London.

Interactive gaming has its own team in the company's research and development department. Apex is progressing increasingly into the pay-for-play interactive sector. Tournament-based gaming is just one example of the new innovations being offered to players.

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"The idea is to offer players the best gaming choice at any location," said company founder Johannes Weissengruber. "Whether at a casino, in an arcade or at home on the sofa, players should have access to Apex games. Therefore, the focus is on making this a reality and this is only possible if the two sectors converge.

"The advantage of that convergence is that increased player convenience can grow the market. The online business has been growing at a phenomenal rate. Land-based gaming remains a major force in gaming and the companies that offer the right mix will succeed in the future. That is our core focus - offering the right choice."

Weissengruber thinks that whether online companies need recognised land-based brands all depends on the type of player being sold to. "New players will not

necessarily know land-based brands. If you wish to attract land-based players to online as well, then yes, you will need online brands. Having an online presence is a distinct advantage to casino operators.

"If the operator invests in providing a real entertainment, then this should attract players. Those operators with minimal investment in their gaming floors are most at risk from competition from online providers.

"Our vision is Apex Mobile Slots. Now players can decide for themselves where to play. Tablet gaming in casinos has now become a reality. Casino operators can offer their guests the possibility to play Apex games for money anywhere within their premises, such as in the hotel room, in the bar, the spa or even on the resort beach.

"They can benefit from the advantages of pure server-based gaming: real-time results, absolute control and resistance against any possible manipulation. The RFID technology allows players to simply enter credit on the tablet or ask the gaming staff to pay out winnings as well.

"Already the top 15 Apex games are available here with many more to come soon. Also, the brand new adaption of the iDROP acts as a redemption terminal, allowing players to transfer their credit to be paid out in the form of a barcode ticket, ready to play on the land-based slots in the casino. Similarly, players can add credit to their tablet by using this redemption terminal."

Comtrade Gaming, a technology supplier to the online gaming industry, has made a solid name for itself in recent years. "The demand within the industry was developing



The Apex Gaming stand at ICE, where Apex Mobile Slots was launched

rapidly for quality online gaming solutions so we made sure we built high expertise and a competitive interactive division which currently represents two thirds of our company," said Aleš Gornjec, general manager.

"Market growth is still strong and we will continue to deliver products which emphasise the importance of fast integration, convergence of land-based with online and player engagement."

Comtrade Gaming's interactive story started more than eight years ago when the company initially spotted the potential in helping its clients (vendors and operators), that were primarily land-based focused, to migrate online.

"There are four key steps our company has taken to address the online market," added Gornjec. "The first step was developing our gCore, The Game Server. This enables vendors who would like to offer their established gaming machine portfolio online to do so. Furthermore, we have developed Live Casino solutions that enable land-based casino operators to offer games played in their casinos to online players as well.

"The third step was taken when we developed the iCore, The Enterprise Gaming Platform. We designed it especially for large operators, covering all their business needs from marketing, customer service and payment processing to introducing a unified view of all player activities.

"As final step we wrapped all player related functionalities into a special product called iCore Engage, which enables interaction with players independently from any channel used (land-based, online, mobile, etc) and focuses on player engagement through bonusing, loyalty, promotions and personalisation of the player portal based on their preferences."

Asked by *InterGaming* about the ways the land-based and online sectors converging, Gornjec said: "There are two key drivers for convergence between land-based and online gaming. The first is new markets regulating where existing land-based operators move online, such as the US, Spain and Holland. In these markets existing land-based operators have a huge advantage as they have a loyal customer base that can be leveraged. It would be difficult for these operators to

outspend large international online operators; however, they can compete with them by converging land-based and online players.

"Secondly, technology is now making convergence a reality, as the operator can now effectively integrate their online and offline business and cross-sell online products to their land-based customers and vice versa. Our iCore platform enables operators to monitor a player's activity across multiple channels. The platform also enables the operator to provide a central CRM, bonusing and loyalty programme, assuring a unified player management approach."

Gornjec believes that large operators are now taking a branded approach rather than a channel approach to business. "They are interested in growing a client's total spend and providing an improved player experience to drive player loyalty. Players who migrate from a land-based product to its online product have proven to be more loyal when compared to the online players alone.

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"They also have a lower churn rate, which in turn drives a higher lifetime value for the player. When convergence is implemented effectively, the operator becomes more brand focused rather than channel focused and this drives overall revenue higher."

He doesn't think that online companies necessarily need recognised land-based brands. "In regions where only land-based operators are entitled to get an online licence, recognised land-based brands are a must. On the contrary, where these restrictions don't exist, pure online operators must exploit different marketing opportunities, from affiliates to sponsorships, that are also very successful strategies for player acquisition.

"We believe, however, that combining both

worlds, land-based and online, has become a necessity for land-based operators. In today's competitive world, the online gaming sector has a strong presence which is evolving at the speed of light, since new trends in mobile are rapidly arising.

"Thus, land-based operators need to seriously consider an online presence as a part of their core business strategy. If the regulatory restrictions are not allowing them to offer online or mobile gambling, then they have to reach for other online tools, such as social gaming, player membership portals, mobile apps or free-to-play online portals."

When asked whether land-based operators should be worried about online competition, he said: "When talking about their online part of the business, I believe they should be worried. Solely being an established land-based brand is not enough to run a successful online business, since the latter needs to be taken to the level of their highly experienced online competitors.

"For example, in Spain, the UK, France and Italy, where the law does not protect land-based operators, well established online operators get a significant part of the business, which proves that land-based operators have to make a lot of effort to stay competitive."

And what of the future? "There are several things that the future of this convergence is bringing. One of the most important is that the industry should not be looked at as two different worlds, but it needs to be clear that a consolidated approach through all channels, land-based, online, retail and mobile is a must.

"Moreover, big data analytics are very important, since they ensure critical information for the business to be fully optimised. How can you achieve this? You need to make sure that all data is integrated in a central point. This means collecting all activities of players while playing online or mobile and, for an operator that has a land-based business, it means also integrating information about players when they visit casinos, restaurants or hotels.

"When all the data is integrated and you have proper analytics, you need to have a comprehensive platform that enables operators to reach players and execute campaigns through all kinds of mediums: real-time rewards, social media, mobile applications, e-mails, etc.

"To conclude, operators that implement behaviour analytics based on complete player activity and learn from that will have a significant advantage over others."