

THE **iGamingFuture**

MAGAZINE

SERIES

May 2024

THE FUTURE OF
PLAYER
RETENTION

CRM & Loyalty Marketing Powered by InfinityAI



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MARKET OVERVIEW

There is little doubt among iGaming professionals that retention is cheaper than acquisition. While both are critical to the performance of iGaming businesses, particularly when accessing new markets, retention is the cornerstone of creating both consistent income and brand recognition.

Despite this, historically, iGaming has struggled to achieve customer loyalty. To users, one online gambling platform can look and feel much the same as another, and switching to chase the best odds or bonuses is commonplace.

Increasingly—to overcome this problem—brands have been making more effort to differentiate themselves in the crowded iGaming market space.

Some have adopted humour to great effect; others focus on women; some concentrate on Gen Z, or take an overtly laddish tone; others offer player safety as their unique selling point. It's a part of the puzzle. It helps. But it's not enough, in isolation, to really turn the dial.

Similarly, bonuses—although increasingly difficult to offer under tightened regulations in many jurisdictions—are generally offered by all platforms where they can. A strong promotion may boost retention for a period, but it's unlikely to keep punters from perusing sites where other good incentives are being offered – and switching to make the most of them.

In fact, in 2019 *Optimove* reported that player retention rates in the industry were between 37-40 percent, which when compared to retail (63 percent), for example, or banking (75 percent) is unmistakably low. Other industries, notably media and insurance, exceed the 80 percent mark.

As the industry matures, new approaches are being trialled and evaluated.

Personalisation has become easier, with more intricate CRM systems and AI helping to capture the data that exposes individual preferences. Gamification can be used to good effect to both differentiate a product and home-in on individual users' preferences.



Curtis Roach

HEAD OF CONTENT
iGF

INDUSTRY INSIGHTS

As the market landscape evolves and adapts to new trends, our industry has now been compelled to react accordingly.

IN THIS EDITION iGamingFuture asks a panel of retention professionals how they do it - What do they think is working? And where do they see best practice heading in the future?

Looking for more insights?



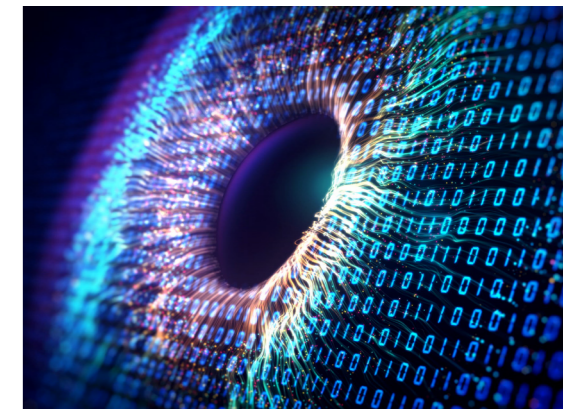
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SANDHYA SINGH
CHIEF CUSTOMER
EXPERIENCE OFFICER

Casumo

ATTILA MARANCSIK
HEAD OF CRM
Szerencsejáték Zrt

ROB PRYCE
CHIEF REVENUE OFFICER
Xtremepush

OUR EXPERT SPEAKERS



Do you think we're putting enough focus on retention as compared to the focus on acquisition?

Q+A

OWEN

Acquisition and retention should be seen as one, as opposed to being siloed.

The most impactful solutions are where both acquisition and retention align in the same organisation under the same people.

Acquisition and retention should be focused on understanding lifetime value.

In Europe, for example, there's a more unified approach around acquisition and retention.

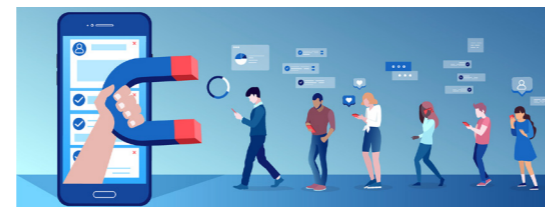
Whereas in the US—and we're seeing it in Brazil and LatAm as it opens up—there's a heavy focus on acquisition at whatever cost, which is making it cost prohibitive. In the US a lot of operators have pulled out in the last six to 12 months because acquisition costs are so high, and they're not focused on the retention and the lifetime value.

Whether it's with the payments team for deposits and withdrawals, with customer support, or with technology, the question is: Are we providing the customers with a good platform? Are we providing the right promotions to retain them?

Localisation also plays a role.

I call it 'local', which is more 'think globally, work locally'. So customise things locally.

In terms of where the players are from, [we need to ask] are we meeting their needs and are we personalising offers? Are we personalising the experience depending on the country they're located in?



Retention is something to be focused on. Acquisition is important, it's about growing the customer base, but retention falls into multiple departments.

All departments have to work together and share customer feedback, which is something that we do at Casumo.

SANDHYA

Acquisition might be seen as a one department strategy, but retention plays a role within every department. It's all about the journey and the experience of the player.

That's important because everyone has so many metrics around understanding acquisition cost, but if somebody costs a thousand dollars to acquire, and they have a lifetime value over a three-year period of US\$10,000, it's worth it.



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What role does AI play in your customer retention processes? Is it being leveraged enough?

SANDHYA

This is one of my favourite topics! **AI is an area which is yet to be explored.**

We have the basics in place, in terms of chatbots and making sure that it's integrated in the customer journey, such as understanding a player's risk profile. And we use it in fraud detection as well.

We have recently signed up with *Neccton* to understand how we can integrate AI to understand the at-risk players.

AI plays a key role because it helps us to look at loads of data sets, which is not possible with a limited set of humans.

We're also operating in an environment where we have to keep cost in mind.

These three areas are something that we have a good handle on, but **it's an ever-growing space because there's always scope to improve automated chats and integrate more tools into the AI conversation**, such as the status of payments. **Multiple areas** within the company **could be integrated to provide automated responses to the player.**



Internally we do have an AI-focused strategy, where one of our strategic pillars is focused on AI, and every department is looking at how we can automate things, how we can introduce AI into workflows, customer journeys, and so on.

Having said that, there are multiple other areas where I believe AI can play a role.

Potentially we have content creation as well, but it could be further improved in terms of personalisation and segmentation. There are a lot of areas where AI can play a role.

This is just the beginning and **AI has huge scope in the near future.**

A lot of companies are exploring it, and adopting it, to see how it can be utilised in the best way possible.



ROB

We have it for people around what we call 'plug and play'.

That's just **simple adaptive models that help along typical journeys**, like long-time value churn, predictability, all that sort of stuff. **That is for a certain user group**, like marketers, who can just use it and understand it.

But we also have models for more sophisticated groups, because companies now have data teams and data scientists, **we're looking at AI from an adaptive model set.**

They have full control over the flexible modelling, the usage, and can tailor it specifically. Many companies do AI on a predefined data set that's generic for everyone. So, whether you're at *Casumo*, whether you're

at *bet365*, whether you're anybody, you'll get the same tools.

We see that **it has to be more personalised**, and back to the points that everyone else has mentioned, **personalised means relevant to your customers, based on first-party data.**

It goes to the idea of looking at it all holistically. It's a unified platform which allows you to understand the churn and real-time predictability. Say **if someone is betting and they have lost two or three bets, you don't want them to continue from a Responsible Gambling perspective, so you can give them a free-to-pay loyalty game that they can still interact and engage with.** It's all real-time and you have the predictability around that.



It's exciting. It's early in the journey and it is important, but it's only one part of the holistic experience for people.

It's a key component, but if you don't have a single customer view, or you don't have Responsible Gaming, or any of the other elements in place, just having AI on its own is not the be all and end all.

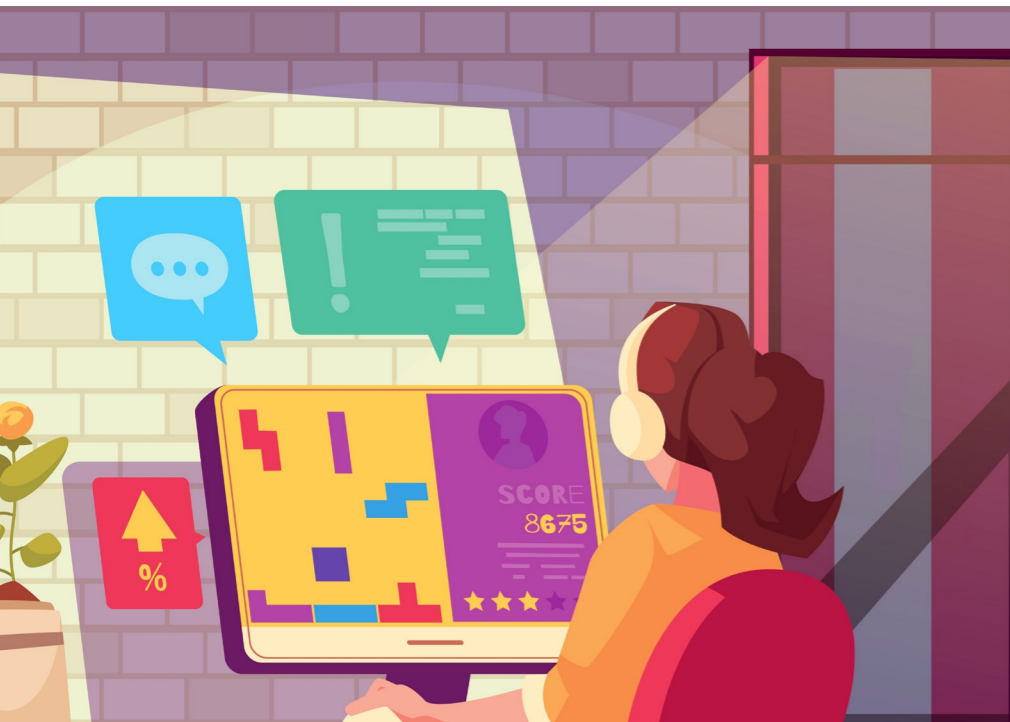


ATTILA

I'm really glad that Sandhya said that **AI is one of the strategic pillars.**

I agree with Rob because **AI is a hot topic right now, but don't forget other important factors**, like is your database large enough? Are you maximising your potential? Do you have all the necessary data? Can you use all the channels you want? **You can always rely on traditional techniques** such as clustering or decision trees or predictive modelling, **for an RFM** [recency, frequency, monetary] score or a churn model.

Is gamification the best way to keep players engaged without a direct monetary incentive?



SANDHYA

Our industry is all about entertainment.

We focus on the entertaining experience that we want to give our players. From a gamification perspective, of course there are leaderboards, there are progress tracking bars and so on.

But one thing that we are focusing on is social engagement, because people like to compete and like to have social chats.

It's the best way if we want to keep the costs under control too, because we can't always be spending on bonuses.

A long-term player definitely is someone that I've realised looks at all these things together. Not just bonuses, but experiences in terms of gamification. [We have to ask] is it giving them that excitement?

But of course, you have to keep the regulatory landscape in mind.

We understand there are people, youngsters, who we don't want to be playing on our website. We should not have anything that encourages them to sign up for gambling.

Gamification is a good complement to the existing programs that we have.

ROB

We acquired a gamification company about eight-months-ago, Thunderbite, and for us it's seeing it as holistic, so it's not a siloed approach of one or the other.

We worked with FanDuel Canada recently around the Super Bowl "Kick of Destiny" campaign. Essentially, at halftime, Rob Gronkowski gets on the pitch and takes a kick. What we did was everyone predicted whether he was going to get the kick or not.

He had everyone invested in it. At halftime when he kicked, he actually missed. So, 30 percent of people predicted he would miss, and this is **the important thing about real time and personalisation, immediately we were able to contact those 30 percent with a relevant message.** So, a VIP got a certain message, a different type of bettor got a



different one, and that was to incentivise them to either play or bet.

If you take a holistic view, it's a unified platform around the gamification. It's taking the relevancy, and it's about customer loyalty. It's not all about getting them to spend more, it's engagement.

Then obviously from a *FanDuel* perspective, they're **able to provide the relevant betting, in real-time.**

ATTILA

Gamification may be more important in our industry than most others.

I still believe that the best way to engage players without direct offers, bonuses or promotions, is through personalised content and ensuring that your website is an enjoyable experience, because players are here to have fun.

First, it's crucial to consider Responsible Gambling aspects, and make sure that your gamified products are strictly for adult players.

Try to **avoid creating skins or games that could be easily associated with children.** This is especially important right now because of the rise of the esports market. Right now, teenagers are spending thousands of dollars to customise their avatars or to buy an EA Sports pack, not knowing what's inside.

Second, there's a trend right now where traditional lottery games no longer capture players' attention as they want faster, more interactive, more immediate experiences.

You should be prepared. And **it's essential to be prepared to offer these experiences to meet their preferences.**



How are people utilising their CRM systems at the moment?

ROB

The ones that are having the most success are those that have a unified strategy and approach. It's having what we would call a single customer view. Then it's understanding, as we talked about, the AI decisioning.

What's relevant to Rob, for example? What is he likely to bet on?

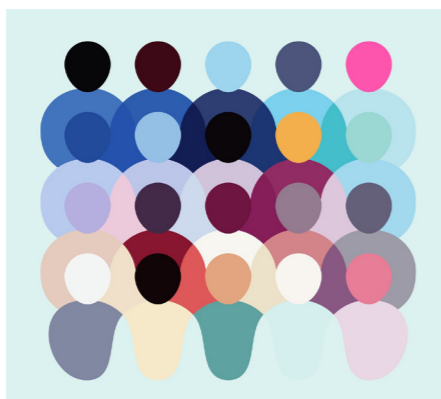
In the states, where there's super important in-game activity, it's a different mechanism. They'll bet on players and actions, versus teams. If I bet on a touchdown being scored and it is, immediately I get the bets and odds for whether there will be a second and a third? But my point is, if you have it all in a centralised view and understand their preferences, you can send out real-time decisioning.

Using the AI tools we've got around predictability, such as the likelihood of churn, if someone doesn't bet for a week, but they only bet every month, then it's fine. There's no need to communicate with them. Because you understand it and it's relevant. That's the important bit from that side.

So, the people that are doing it best have a unified approach around a single customer view and engage with it in a way that is relevant.

SANDHYA

What I learned from this whole experience on how to make CRM better in our industry, in terms of how we can utilise it better, is that what matters is making sure that we are able to create journeys that are personalised to every customer.



Whether it's related to Responsible Gaming, whether it's related to congratulating a player, whether it's related to any different aspect. All the information should be integrated so that players don't end up getting multiple communications.

That's one thing I see.

How do we make sure that it's integrated at the right time with the right player journeys? That's very important.



Other than that, CRM can be used for multiple channels. We use it for different mediums of channels depending on the player preference.

If they like to be communicated with on social media, we should be doing that, if they like to be communicated with on a chat or in email, we should be doing that, and so on.

CRM can also work in terms of helping us segment different types of players; VIPs, non-VIPs, gender based,

somebody who prefers sport, somebody who doesn't prefer sport.

We can definitely do a lot with the whole CRM strategy to make sure that we tailor every customer's experience the way they want it.

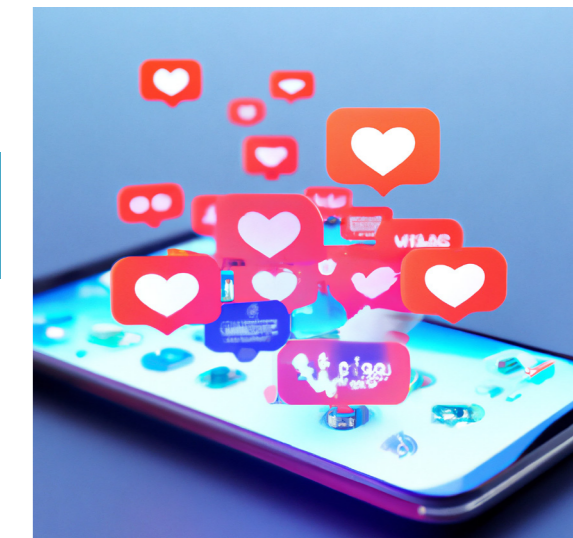
ATTILA

My message would be: Know your customers like you know your friends.

It's important to get constant feedback and be open to feedback from your players and be prepared to adapt to their changing needs and preferences. So be open-minded with that. Another point is it's important to define clear goals of what you want with different customers. You should have a completely clear aim for what you want to achieve with these different segments, whether it's increased value, or cross-selling, or upselling. You should always have something on your mind that you really want to go for.

It's important to have a 360-degree view to get all these insights into your CRM system. The challenge is how you can put this new information and these new insights into one customer view.

It's hard, but if you can put any information from a different segment, like younger adult players who prefer a specific kind of sports betting market, then you can put that information into improving personalisation. That's the challenge.



ROB

The only thing I'd say is nothing is perfect. So just getting started is the main thing.

And understand what it means for you and your visitors and that it's a journey. Just keep trying, keep understanding and keep evolving and that's the most important thing to do on the whole journey.



EDITOR'S CONCLUSION



While retention remains a challenging aspect of operating a successful iGaming business, it's clear that our panellists see it as strategically crucial. Everyone agreed that it should be integrated in every aspect of the customer journey and experience.

As Rob Pryce points out early on in the discussion, retention is about increasing the lifetime value (LTV) of a customer. Maximising LTV has always been a priority in iGaming, it's one of the most important engagement metrics that operators use, but it's far from easy to claim the undivided attention of a customer in this industry.

Pryce's overarching point is that no aspect of the customer's experience can be dealt with in isolation. He advocates a 'holistic' approach, through which every possible means of boosting engagement is taken into consideration throughout the lifetime of the customer.

Ultimately, this means giving the best iGaming experience possible. Using gamification to diversify the experience on

WHEN ATTILA MARANCSIK URGES: "KNOW YOUR CUSTOMERS LIKE YOU KNOW YOUR FRIENDS," IT'S CLEAR TO SEE THE POWERFUL POTENTIAL AI HAS IN THIS SPACE.

an individual basis, using personalisation to appeal directly to the customers' own preferences, using AI to make the user journey quick and frictionless. All of it plays a critical role.

It's also about recognising how to unlock the value in each individual customer, and not assuming all of them will engage with a platform in the same way. "If somebody costs a thousand dollars to acquire, and they have a lifetime value over a three-year period of US\$10,000, it's worth it," he says.

Likewise, AI is being used to some extent by every panellist. Sandhya Singh pointed out that Casumo has made the use of AI one of its strategic pillars. While it's not a panacea for every retention challenge, she believes its integration into retention-related processes, and beyond, across all business functions, is likely to engender a universal approach in the very near future.

VIP managers apply that kind of customer care to high-rollers, and in doing so they inevitably boost engagement and lifetime value. To achieve that across the spectrum of customers would be near-impossible, if not extremely expensive.

But AI has the potential to offer that kind of personal experience for everyone, including identifying when an intervention is required to prevent harmful gambling.

AI HAS THE POTENTIAL—IN THE VERY NEAR FUTURE—TO MAKE EVERY IGAMING CUSTOMER FEEL LIKE A VIP.



1:1

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