DATA ANALYTICS

Putting process into practice

With the proliferation of mobile technology, social media and advanced gaming floor analytics, today's gaming organizations are faced with an exponential increase in the amount of information they need to collect, analyze and implement.

Participants:

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Canadian Gaming Business recently asked several gaming industry insiders, analysts and leaders about their views on how organizations can effectively and responsibly manage this data and how the industry needs to evolve in order to adapt to the inevitable further influx of information. Here is what they had to say:

WHAT DO YOU SEE AS SOME OF THE GREATEST OPPORTUNITIES FOR GAMING ORGANIZATIONS AS A RESULT OF THE INCREASING ACCESSIBILITY AND AVAILABILITY OF DATA AND WHY?

Sean Coyle: Allowing customers to customize their benefits the way they customize their casino experience. One of the most interesting (and challenging) things about casino experiences is that every guest that walks through the door creates their own unique experience. They can choose to gamble and eat, go to a show, gamble and go to a show, have a social experience, have a solitary experience, the list goes on. In fact, two people that come together to the casino can and often do have an experience that is both shared but also unique. One of the greatest opportunities data provides is an ability for gaming operations to provide benefits that are as unique and aligned as the guest experiences themselves.

Steve Holder: Most organizations know that the ability to understand their data allows them to drive differentiation, create competitive advantage, and deliver a fatter bottom line. And we're generating and capturing more data than ever before in a variety of forms both structured and unstructured. All this data can be turned into marketing gold by creating in-depth customer profiles to ensure marketing dollars and efforts are being targeted at the right customers. Add real-time

information and you can deliver the right offer at the right time to the right person, maximizing chances of customer engagement. Bottom line, analytics drives informed business decisions so the gaming industry can do a variety of things ranging from building deeper relationships with their customers, detecting fraud on the floor or even optimizing traffic flows in their properties. It's all about making better, more informed business decisions and analytics should be viewed as the enabler.

Kara Holm: Gaming organizations create huge amounts of data as a by-product of their operations, but few, in our experience as consultants, are using this information effectively to inform business planning and day-to-day decision-making. So, there are lots of opportunities for operators to use data to create a story for their businesses by aligning financial results, player information, game data and more. The opportunity is to see how all of these points of information come together so that you can identify issues that arise and "course correct," as well as identify opportunities for growth.

Paul Pellizzari: Let me start by saying that the future of data and the future of responsible gambling are all about integration. RG can no longer be a sidecar to what the business does. RG has to be part of the business. Gaming is an industry that can be and often is data driven. We're in a good place in terms of most organizations like OLG and the big organizations typically have a big historical cache of data. It would be fair to say that a lot of organizations have not necessarily used that data strategically or in a focused

way and that is our opportunity to move to a place where we are using it. The biggest advantages are we have the ability to gain deeper insights into player behavior, player preferences and player risk. Using all of these things to provide better products and better customer experience and to help players understand their gambling. Segmentation is also another huge opportunity for the use of data because you need to understand the different profiles of who you are marketing to and who you are trying to attract to your offerings. Segmentation applies to the risk side. OLG and all the Canadian gaming providers approach protecting players from an informed-decision-making perspective. Data can help with all of this in an integrated way so that it becomes an expected and seamless part of what our offering is for players.

WHAT WILL BE SOME OF THE BIGGEST CHALLENGES FACING GAMING ORGANIZATIONS WITH RESPECT TO THE MANAGEMENT OF DATA AND INFORMATION?

SC: With the continued growth and scope of analytics and the tidal wave of data one of the biggest challenges will be to decide what to focus on and how to act on it quickly. What data is useful and what data is useless. This will be different to every business depending on what their business objectives are and how they are measuring their success. The challenge is to get the right metrics that when you review them it will change the way you operate or invest resources moving forward.

SH: There are two key challenges facing the industry: the continued evolution of consumers' desire to interact in real-time and across all platforms, live, online and mobile and the need to balance personalization with privacy to engage in a positive way with players. While personalized customer service trends are generally viewed as positive by consumers there is clearly a fine line between meeting consumers' needs and being creepy. A key challenge will be to reap the advantages of data and insight all while protecting and treating customers' data like it's their own and using it to provide true benefits to customers.

KH: One big challenge is the sheer amount of data gaming operations produce. The term "big data" certainly applies to the gaming industry. We find some clients spend their time mired in data – meaning that they are tracking so many things that they do not understand how to assess and activate the information. Clients in this situation are often looking backwards, not forward. The other option we see is clients that are so overwhelmed by the information that it is easier to ignore it and not use the data at all to inform decision-making. We believe that to be successful at leveraging data, operators have to have clear business objectives, as these provide clarity around priorities. This enables operators to choose the right metrics for that specific business. When operators use business intelligence strategically, they can deep dive into the other data to complete the picture when issues and opportunities arise.

PP: The challenge for OLG and many other organizations is that we are Big Data organizations so we've got a lot of historical data. In the past, we have not had the structure, capacity, discipline or internal functions to take all of that data, turn it into insights and then apply it. At OLG we are now in the process of doing that and we have had some successes in that area. We're building capacity, functions and discipline internally that will be necessary for us to move into the future, gaining better insights and being more precise in how we understand the players. Other challenges include how we are using data to support our business while still managing all the privacy and integrity issues such as CASL legislation.

HOW MUST GAMING ORGANIZATIONS EVOLVE IN ORDER TO BETTER AGGREGATE AND INTEGRATE THE MANY DISPARATE SOURCES OF DATA AND INFORMATION?

SC: Automation. Using algorithms and well-designed dashboards that target specific growth opportunities are the key to truly beginning to unlock the power of the vast amounts of data that we currently and increasingly aggregate. One thing that makes this opportunity difficult to crack is that much of the data we have access to is collected through proprietary player management systems. These do not lend themselves to easy and cost-

effective systems integration which is critical to bringing the information together in a practical way.

SH: All analytics problems begin with data and the ability to manage and integrate this data is a challenge across all industries. In order to tackle this problem the gaming industry needs to consider the following:

Variety: Data can come from many sources in different formats and with different nomenclatures. Operators can leverage new data storage options like Hadoop to consolidate these disparate systems into a common data repository to allow them to better manage their information.

Quality: Data Quality can be a challenge and the old adage "garbage in garage out" holds true. Gaming operators need to ensure they have appropriate data definitions and ability to merge, cleanse and standardize their information. This will make the analytic process be a seamless part of the business user's day.

Culture: Data volumes and big data aren't going away, but the way the organization works with the data is key. Operators should adopt a culture of agility and flexibility when it comes to data. Gone are the day's reports and analytical insights took weeks to deliver the new analytics user is looking for immediate insights. To be able to deliver on this however requires adequate governance and technology so as not to stifle innovation and the business. Building a culture of data driven decisioning and having the technology to support is key to help the gaming industry evolve.

KH: In our experience, few casino operators have a holistic way of considering their business data. Gaming data, player data, research, and financial information are managed by different departments. In my opinion there is not a single solution to this challenge. I am a big believer in monthly dashboards that bring together key metrics from various parts of the organization. One way to ensure this happens could be to have an executive appointed to oversee information aggregation and reporting, and then to provide analysis and recommendations. Another option would be to have an interdisciplinary team that meets regularly to look at key metrics from different points in the organization.

PP: The first thing is to invest in infrastructure. Be smart about your technology, know what your needs are and use your dollars in a smart way so that you're investing in the right infrastructure, with the right database interfaces, having the ability to take data from disparate sources — and in our case disparate service providers — manage the protocols for how data gets entered and that you are able to get data when you need it. At the same time, you need to be nimble, you're going to need to be able to anticipate how you're going to need to change. Finally, you need to build the internal functions around data and change the mindset to have people understand that this is going to be the differentiator for the future. The best gaming organizations will differentiate themselves in how they are able to manage data and that involves changing our mindset.

WHAT KIND OF AN IMPACT WILL MOBILE TECHNOLOGY, THE INTERNET AND SOCIAL MEDIA HAVE ON DATA ANALYTICS?

SC: We will eventually enter an era where we can use a mobile device to link tracked play (carded and non-carded), fulfill benefits in real time, market to customers based on their proximity to the casino or certain areas of the facility, and seamlessly communicate this through the device or media of the user's choice. Having suppliers adopt open source and open platforms would allow our industry to catch up with the times. Many of these abilities are already being used by businesses around the world.

SH: The Internet of Things is taking mobility to new heights. Think wearables like the Fitbit and automated devices like the Nest thermostat; with new mobile technologies coming to market at a breakneck pace, mobile will mean much more than just smartphones. Operators have the ability to tap these new sources and interact with consumers in real time while still in the venue to better understand relationships and ensure patrons are having a positive gaming experience. To execute in real time the Internet of Things (IoT) will help capture client insight at the point of interaction as opposed to doing so weeks later when they have left the venue. This is a fundamental shift of the digital age and only the analytically savvy operators will be in a position to leverage the wealth of data available to drive optimal customer experiences right to their device.

ANY OTHER INSIGHTS YOU FEEL OUR READERS WOULD LIKE TO KNOW ABOUT?

KH: This is an extremely important topic for operators and Crown corporations in Canada. Data is a latent resource for Canadian casino operators. There are tremendous opportunities available to grow our industry sustainably, if we learn to analyze and share the massive amounts of data already available. There are many insights waiting to be activated. Within organizations, leaders have to commit to selecting the right metrics across departments. They also have to develop a plan to share the objectives and metrics organization-wide. The business goals, and data that informs these goals, should be understood comprehensively at all levels: the cleaners, security guards, slot techs, restaurant servers, supervisors, managers, and the CEO.

PP: Given what I do at OLG, I really want to emphasize the point around using data to understand player risk and how that integrating it into the business must be part of our future. Some people worry about using risk analysis on player data because they think they may be subjecting their organization to greater legal liability or duty of care. I think the opposite is true. When you're using data to market to people in precise ways you have a role to play in using that data to give them that informed-decision-making feedback to help support them in terms of promoting safe play and keeping people out of trouble. The industry needs to embrace this.