



Enhancing the Player Experience through Unified Data



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01. Introduction

The Evolving Landscape of SBG

The Sports Betting and Gaming industry is unique. No other industry works as hard to get their audience to engage while, at the same time, doing everything they can to limit their enjoyment of the experience.

This dichotomy has facilitated and sustained a highly toxic and confrontational dynamic that pits SBG operators not only against their competitors but against their players.

Despite this, the SBG industry had an estimated value of \$74.2 billion in 2021. By 2028 it is expected to top \$129.3 billion.

With the industry expanding this rapidly, a sharp rise in competition will inevitably follow.

While competition is essential to give players the best value, the conflict that exists within the industry is likely to have the opposite effect.

Essentially, there's only so much punishment players can take before they start to lose interest. Player expectations are changing and have been for a while. Not least because they have been changing across all other aspects of their lives.

Players expect more from every business they come into contact with and SBG providers ignore this fact at their peril.

Moreover, an industry built on this approach, and growing this fast will inevitably undergo a dramatic correction. Growth cannot be sustained indefinitely, especially using the current model.

For the operators who focus solely on capturing deposits then moving players on before they win too often, the correction will be severe.

The operators who choose to view their players as valued individuals will have the opportunity to not only keep the players they have, but attract new players in their droves.

This is the SBG revolution.

02. Losing the Race to the Bottom

In sports betting and gaming the most effective way to attract players is to offer free spins, free deposits or other promotional gimmicks. They're often highly aggressive and rely on players making big deposits to offset the loss leader



However, in a crowded marketplace, the average cost of acquisition sits between \$220 and \$371 (in addition to any promotional offer) but player lifetime value sits at around \$2,500.

The problem is that the cost of acquisition is going up but player lifetime value is either flat or declining. This is because in an industry with growing competition, players can be fussy.

There is no benefit in loyalty to one operator over another because there's nothing to be gained in doing so.

Players go where the best introductory offers are. They stay long enough for losses to bite then move on to another operator with a similar or better introductory offer.

As a result sports betting and gaming operators are forced into a race to the bottom, offering players more and more, in exchange for diminishing returns. All the while training their players to only go where the deals are.

Value has been distorted to mean 'free'. This isn't sustainable as operators are forced to offer increasingly generous offers to lure customers away or win them back.

There are no winners in this situation. Not even the players, because ultimately the user experience is purely transactional which is far from rewarding.

This lack of loyalty makes it harder for operators to grow player lifetime value and traps them in an acquisition spiral pointed straight at the ground.

For any business wanting to grow retention, lower costs and increase revenue the only solution is to get out of the race.

While acquisition is still an essential component to growing any business, retention is significantly more profitable. Not least because operators don't have to invest anywhere near as much to get players to spend with them.

Repeat players will also deposit larger amounts and more frequently.

The challenge lies in breaking the dependency on promotions to attract new players. Instead shifting focus towards value that increases retention and nurtures loyalty.

Changing an entire business model is no small task, nor a comfortable one, but it's working on the assumption the previous model was sustainable.

Diminishing returns and an upwards trend in player expectations suggests players want more from their operators than a free deposit on sign up.

In the absence of any other offer players are left to drift from operator to operator.

It's time to lose the race to the bottom by going in a different direction entirely.

02. The Love/Hate Relationship

To the casual observer, it may seem like operators don't like their players very much.

This is understandable as some operators treat the relationship with their players as zero sum gain. These operators see players as solely trying to take as much money from as they can, for the lowest bet possible. They're a threat rather than an asset.

For the majority of operators there is a delicate balance to be maintained. They need to protect themselves from bad actors who are trying to game the system, while still providing a fun experience for other players.

The knee jerk reaction among many is to restrict player activity for any player that's winning well and winning often. Especially if they're withdrawing their winnings regularly.

While this approach may protect profits, it severely undermines the relationship between operators and players. Players inevitably become frustrated and find a competitor platform.

However there are two problems with this approach.

Looking at customers in such a myopic way ignores the overall health of the business and ignores the basic principle that players need to win to have a business in the first place.

The house can't always win, it turns out.

More importantly, it ignores the highly competitive climate within the industry and the growing cost of acquisition for new players.

This fuels the downward spiral of introductory offers and loss leaders while doing nothing to add value, build trust or increase player lifetime value.

Although SBG operators need to protect themselves against excessive losses, loss is a necessary part of the process.

The most successful SBG operators leverage their data to make informed decisions about their players. A player-centric approach makes it easier to determine who is gaming the system and who is just on a winning streak.



Players who win will continue to make deposits and the law of averages suggests they'll lose eventually. But there are two other considerations. For every winner there are a hundred losers. There has to be or operators would go bust within days of launching.

The other is, you need winners to advocate for your platform. 60% of all marketing happens without any intervention by the business in question. Word of mouth, social media and forums have more influence on player/buyer behaviour than any marketing campaign.

To put it another way - players talk.

For all our technology, psychologically we can't differentiate a bad business experience from an apex predator trying to eat us.

The comparison between an SBG operator and a Smilodon isn't entirely unjustified considering the level of personal risk players can take.

Considering humans are both social and tribal. It's this tribal nature that makes us suspicious of change and vocally complain about bad experiences. Sharing bad experiences protects the tribe from the same fate.

Therefore, every time an operator drives away a customer by throttling their bets or restricting their activity, they're actually driving away an average of 15. Or more.

While operators are, effectively, protecting their own tribe, this is fundamentally flawed as it views players as predators, rather than part of the tribe as well.

It's also costly. In cash terms, operators aren't losing \$2,500 in player lifetime value, you're losing upwards of \$37,500. Every single time a player leaves because of a bad experience.

If, however, operators treat players like part of the tribe, players have a great experience. They are more likely to increase deposits and care less when they lose. Not least because the value shifts from just winning.

They'll also start to share their experiences within their social networks which means two things happen.

Firstly, new deposits go up and secondly, cost of acquisition goes down. Even taking into account any free deposits operators give to players as incentives for sharing their experiences, the cost will still be lower than paid search and other activities used to attract new players.

03. Migrating from Transactional to Trusted

The problem with the kind of transactional relationship that exists in SBG is that it's built on an exchange. The willingness of one party to exchange something of value, for money. This is fine when it's two businesses agreeing to a deal.

In most cases, a contract is involved outlining what goods or services will be received, along with mutually agreed obligations for both parties. That is the supplier hits their KPIs and the client pays on time.

The trust that exists between them is built on that agreement and builds over time as the supplier delivers and the client continues to pay.

Where things get more complicated is when the same dynamic is imposed on the average player.

This shouldn't be a problem. Every conceivable kind of transaction works in more or less the same way. Even buying something from Amazon comes with terms and conditions that we as consumers tacitly agree to. Not to mention various consumer rights enshrined in legislation ensuring we have the right to - essentially - get what we pay for.

Therefore, players should be happy with the exchange that exists between them and operators. But they're not. The adversarial nature of the exchange means players and operators are always trying to beat each other.

This is both mentally exhausting and ultimately toxic. Players - regardless of their experience - will eventually move on.

Bearing in mind our societal imperative to belong to a tribe, it's no surprise that players want more from the relationship they have between them and their SBG operator.

They want to feel they can trust operators as while operators worry about losing money, players worry about losing everything. The level of risk isn't the same.

It's important to understand, along with our need to belong, humans are incapable of making the distinction between a person and an organisation when it comes to forming emotional attachments.

This is the reason why consumers will identify with and be loyal to one brand over another. Even when other products are available; Apple being the obvious example.



No amount of evidence will ever convince an Apple fan to switch to Android beyond financial restraints.

Features are irrelevant. What matters is how owning an Apple product, and/or being part of the Apple community makes them feel.

On this basis, players want to treat their relationship with operators as they would a friend or colleague. They want a rewarding experience beyond winning and they want to feel like operators are treating them fairly in the process.

The disconnect is that both parties want to win.

However, competition doesn't have to mean opposition.

Within the vernacular of sports betting and gaming it's accepted that one party will lose. Operators provide players with odds of success and they accept or they don't. Their bet is proportionate to how confident they are of winning relative to the risk.

Trust can still exist in this dynamic and, in fact, needs to for players to stick around. If players feel odds are unfair or games unwinnable they will leave and never come back.

Thanks to the aforementioned psychological quirk, players will feel a genuine sense of betrayal if they don't think they are being treated fairly.

The relationship will become more and more transactional. For the player the relationship becomes toxic, resulting in a drop in deposits and dwell time. There will be a tipping point when that operator will no longer be relevant to the player and it will become almost impossible to retain them or win them back in the future. The damage is almost always permanent.

Shifting the emphasis on long term value changes the nature of the relationship. Slightly increasing their odds of winning will increase bets placed, or providing other incentives to engage will grow their player lifetime value.

Consider Apple again. Their customers camp out overnight to pay a premium for the new MacBook Pro or the latest iPhone. They do this because they see the value of the product, the association with the brand and the personal relationship they have with Apple. They also know that if there's a problem, systems exist within Apple to help them.

On top of that Apple has cultivated a sense of exclusivity about their products. By owning Apple products you're part of their tribe.

No one brags about who they place their bets with. Not because they are ashamed to but because it's transactional. Much in the same way that no one talks about their preferred supermarket. There's no emotion.

Building loyalty through value and trust can transform the relationship completely.

04. Enhancing the Player Experience

Enhancing the player experience starts by shifting focus away from adversarial transactions and instead delivering on value. Without this change in organisational mindset, it will be impossible to build trust and for players to see their current operator as better or more relevant than any other in the space.



SBG operators are in a unique position as customers actively seek them out. They are already invested in sports betting and gaming. Operators don't need to work particularly hard to win them over in the first place.

However, operators need to use this enthusiasm to their advantage to retain players and boost wallet share. Players want to hear from and engage with their chosen operator.

What they don't want is to feel like a cash cow.

Lack of engagement inevitably results in lack of relevance. The reason why players and customers of other industries lapse is because they no longer see that provider as relevant.

If the offering isn't relevant because the games aren't fun, they never win, or their activity is being throttled, they will churn.

Therefore, establishing relevance in the minds of players is key.

However, relevance is both relative and nuanced. At a top level, relevance can be argued on the grounds that operators offer what players are looking for. Namely an opportunity to place bets or play games for cash prizes.

However, this argument falls apart when retention rates are flat or declining and cost of acquisition is going up across the entire industry. It's also important to understand that relevance is determined by the audience, not by the industry.

Assuming the data is accurate and players want a more personalised experience, those operators who fail to act will find both retention and acquisition numbers starting to slide. But, again, players already engage with operators. They just want to do so on a deeper level.

Operators need to take advantage of this and interact with them in the way that builds the most relevance to the players.

Shifting the mindset to focus on value and player lifetime value, rather than short term revenue gain will have an immediate and lasting impact.

Especially as players actually want to give operators their money. Admittedly for the chance of winning more, but the point is they will (a) stay with operators for longer and (b) spend more if they see the value in doing so.

SBG operators are fortunate in that they have a wealth of first-party data at their disposal so their ability to communicate with their audience in ways players want is relatively easy.

All operators need to do is bring that data together in one place.

Operators should focus on all the touch points that they have with their players. From advertising on TV, at the sports ground, on social media, all the way through to the app or web experience, the experience should be aligned to the core message the operator is trying to deliver. Consistency in offer and brand values creates a player engagement strategy built on retention and engagement.

Operators can leverage their first party data to meet these goals.

Deposits and wallet share isn't the outcome. Player engagement is the outcome, an increase in deposits is the result.

Focussing solely on the result will change nothing and drive players away as any activity framed in this light will be seen as nothing more than a cash grab.

05. How to Leverage First Party Data

Data is the lifeblood of most modern organisations. Without a steady flow of data few businesses can make informed decisions about anything. The more data available, the greater insight leading to better decision making. Providing that data is managed intelligently.

SBG operators are no exception. Without reliable data at their fingertips, they can't make accurate decisions about odds, what games players are engaging with or anything else.

Equally, without data, operators have no idea how much players are depositing, how much they're winning and if the business is turning a profit.

However, despite the treasure trove of data operators aren't taking full advantage of this to engage with players. As a result, there is limited visibility in terms of meeting player needs and wants making it very difficult to keep them engaged.

It becomes effectively impossible to market to players in any kind of coherent, meaningful way. More specifically, it makes it impossible to add value in any kind of coherent, meaningful way.

And this is a key point of understanding. If an operator is going to communicate with players about a new game or match fixtures, it needs to be meaningful and relevant.

Communications need to be of benefit to the player in some way rather than solely and obviously designed to get them to make more deposits.

Consolidating data into a Single Customer View could allow operators to reach out to every player in a highly targeted way.

While there may be an opportunity to give them odds on matches or promote new games, the value lies in building a positive relationship with players. Underscore the ability to engage with them beyond the transaction.

They get the benefit of receiving information that's of value, and operators get the benefit of a player who will be more likely to engage in the future.

Consolidating player data into a Single Customer View can open up countless opportunities to communicate with players on many levels.

Pulling together information from across the organisation, including marketing channels, provides operators with an incredible level of insight and will help them to meet player expectations.

Consolidating data into a Single Customer View combines personal data, location data, demographical data, account history, deposit history, betting history and wins/losses.

By consolidating data into one place, operators can create highly targeted, highly personalised campaigns that focus on driving engagement.

Geofencing can be used so players get a welcome message every time they step into the ground of their favourite team. Or go one step further and include a discount code for the club shop.

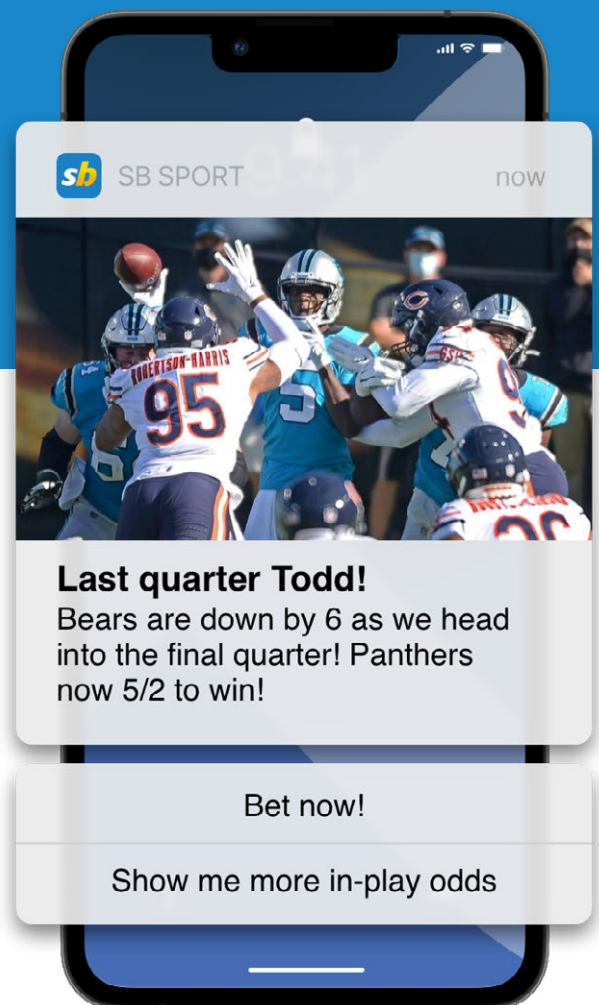
Operators can even build a multistage campaign that talks to players about games or events relevant to them. Building excitement for a new season and sharing a player's passion for a team is a low cost, high impact way of driving engagement.

After all, whether it's the New York Giants or Newcastle United, anyone who supports a team, feels a part of that tribe too. SBG operators can take advantage of this strong emotional connection.

With first-party data and a customer data platform, operators can use push notifications and other content that reacts to what's happening in a live sporting event.

A live sporting feed can push through real-time analysis of a match featuring the player's stated team and provides valuable insights the player can use to place additional bets.

Operators can grow incremental deposits while the player benefits from a superior, personalised experience.



Personalisation in this way makes your players feel understood and, more importantly, valued.

Approaching communications in this way allows you to reward players too, rather than just keeping in contact.

With the data at your disposal you can tailor rewards based on customer behaviour and preferences. A discount code at the club shop is a good example of tailoring a reward to specific customers.

Exclusive odds on certain games, bonus multipliers and other buffs are all ways to reward customers for staying loyal to your platform.

Leveraging your communications to surprise players with a tailored reward, via SMS or an app alert would deliver an experience like no other SBG provider in the world is currently prepared to offer.

06. Balancing Deposits and Responsible Gambling

Driving deposits and growing wallet share is important. Essential, in fact. However, SBG operators are one of the few industries who are encouraged to ask their customer base to stop spending money.

Amazon doesn't have a banner before you complete a purchase asking their customers if they can afford what's in their baskets. The simple reason for this is because it's a lot easier to get into financial duress gambling than it is to overspend on Prime Day.

The statistics around problem gambling or gambling disorders make for sobering reading. Notably 50% of people with gambling problems admit to criminal activity to support their gambling habits.

That is not to say all gamblers are addicts and the SBG industry is to blame. But there is an opportunity for operators to spot problem behaviours before they become habitual and run up unmanageable debts.

Aside from the ethical and mental health argument, there is a financial case to be made.

Problem gamblers ultimately run out of money which means, as a player, they drop out of the ecosystem, never to be seen again. They are either in financial ruin or choose to give up gambling for life.

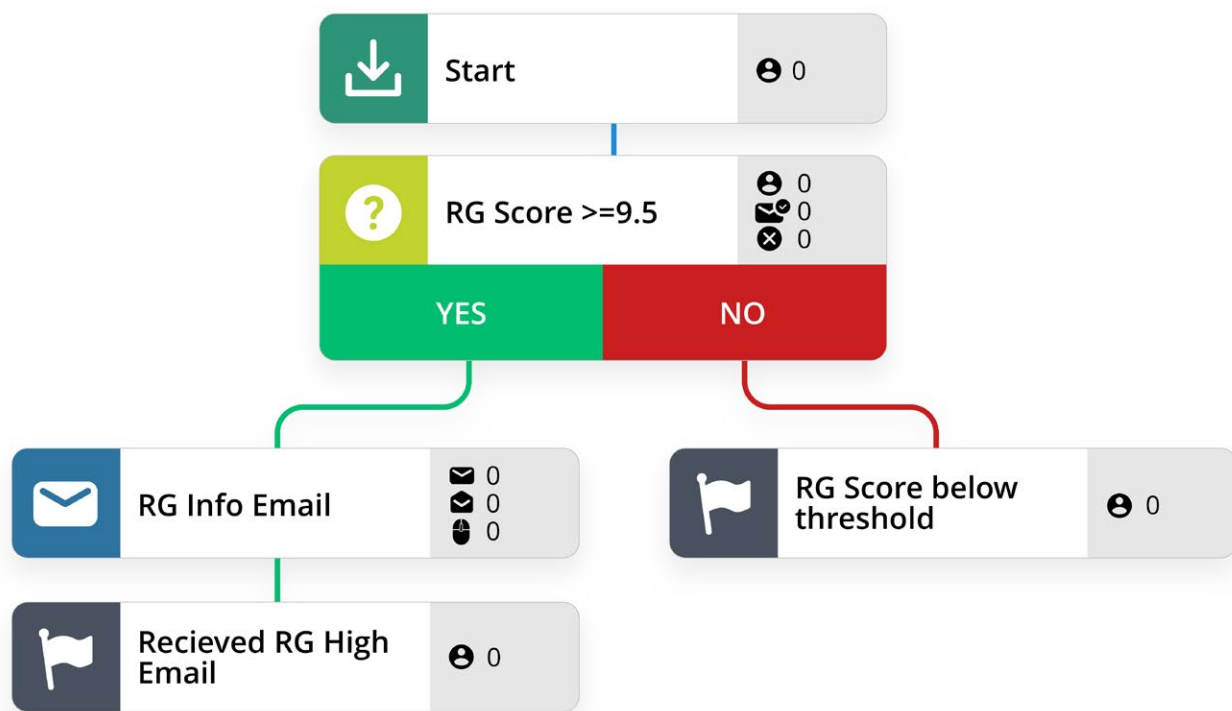
With evidence suggesting that problem gambling behaviour is eight times higher than predicted, that's a growing proportion of players who will disappear. That means operators have to work even harder to attract new players, driving the cost of acquisition even higher.

By leveraging first-party data, operators can create rules to help spot problem gamblers and take proactive steps to prevent unsustainable loss. And even offer support.

Although it may seem counterintuitive to encourage players to deposit less, the long term benefits outweigh the short term gains.

Frequency of deposits and bets, win/loss rates and other markers can be used to spot when players are displaying an uptick in activity but losing often.

This can then trigger a series of actions. First could be to send an alert via push notification, email or text, that the player has lost X amount of money. Or that their deposit rate is high.



The next step could be guidance on how to play games or make bets either more effectively or more responsibly.

The escalation beyond that could include freezing the player's account. Much like a bar staff cutting off a patron who has had one drink too many. Too much of anything is a bad thing.

Depending on the frequency that this action is taken, their deposit and bet thresholds can be lowered and information about problem gambling sent.

For some it may fall on deaf ears, but for other players it's a level of care they never would have experienced before. The player experience would be unusual to the point of exceptional. Players who have early stages of problem behaviour would feel valued by their operator in a way they've never experienced.

Those players who are already in too deep will ignore the advice, and that's fine. The outcome for that player is unchanged but at least the attempt would have been made. And there is the possibility that someone in that player's support circle sees the information and intervenes on their behalf.

A counter argument is that problem players will simply go elsewhere. This is probably true. And GDPR prevents one operator from alerting others about possible problem behaviour.

But the reality is, that player will disappear one way or the other. By taking steps to encourage responsible gambling, operators are increasing their chances of holding on to that player for longer.

Remembering the tribe, players who appreciate the help will trust that operator and even become loyal to them. So while deposits may be more controlled with those players, their player lifetime value will likely increase.

07. Delivering on Player Value

Migrating away from a transactional relationship hinges on offering a player experience that delivers sustained value.

Sustained value is key.



Players will not stick with an operator if all the value they offer is only for new players or fizzles out gradually over time.

Remember this is about keeping players engaged for the long term, rather than generating as much revenue as quickly as possible before they move on.

This approach is predicated on the idea that players will want to stay put and requires a long view in everything operators do from a player engagement perspective. From acquisition activities through to loyalty and communication.

It has to be an end to end strategy built around the players.

An engaging experience will increase dwell time and players will naturally start to explore different games or sports they can place bets on.

The fact is, the more data operators have, the more they can do with it. It gives them the option to be incredibly innovative with the player experience they provide.

The greater the experience the greater the value and - therefore - the greater the engagement. Engagement means more deposits and an overall boost in wallet share.

However, before operators get to that last part they've got to deliver on player expectations. This means recognising the value of investing in their audience. The more unique an experience players receive, the greater the chance operators have of retaining them.

To do this, operators need to look at four specific areas of player engagement which will enable them to deliver a player experience that keeps players engaged for the long term.

Segmentation

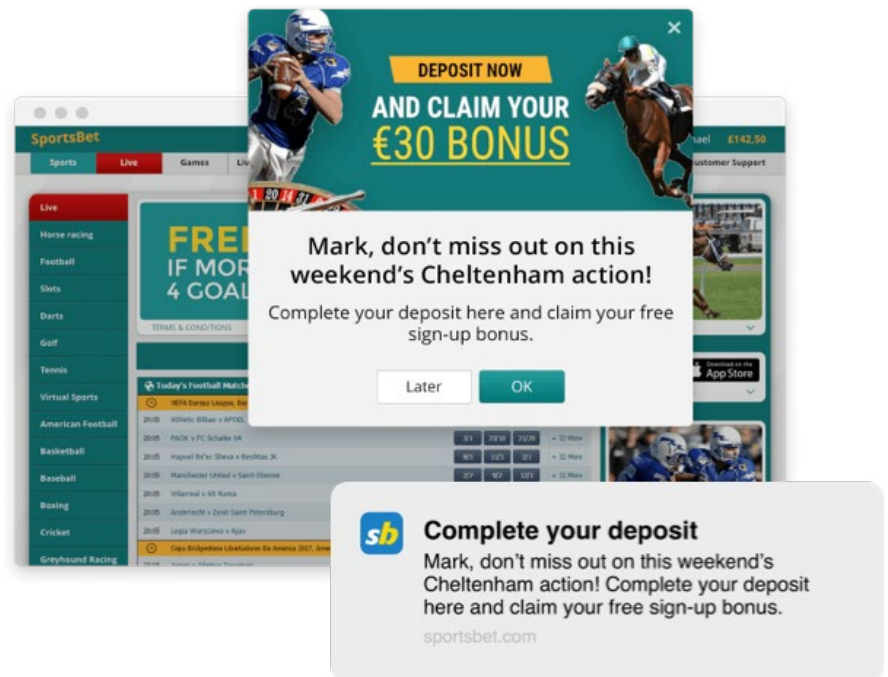
To engage with players, operators need to know what interests them and where they hang out. They have a huge amount of first party data available to them which means operators can segment their database with a high degree of reliability.

Segmentation helps operators identify what players like which games. Or the breakdown of football fans to rugby fans, where the overlap is and what teams they support. The greater the level of segmentation the more operators can leverage that segmentation when it comes to communicating with their players.

Personalisation

With a segmented database operators can tailor every interaction they have with their players via their website, app and multi-channel communications.

The more data operators can consolidate and segment, the more personalised interactions can become. When a player logs in to their app they can be presented with a bespoke screen.



Depending on the product offering and the level of player engagement, players can be presented with a carousel showing them the last game they played, similar games they might enjoy and the rundown of the next match for their team.

Teasing players with potential prizes or payouts serve as a conversion driver, having already engaged players with the personalised content.

Engagement

Segmentation and personalisation allows engagement channels to work far harder. Remember, relevance determines whether or not players continue to engage. Therefore the more relevant and the more timely communications are, the more likely players are to engage with them.

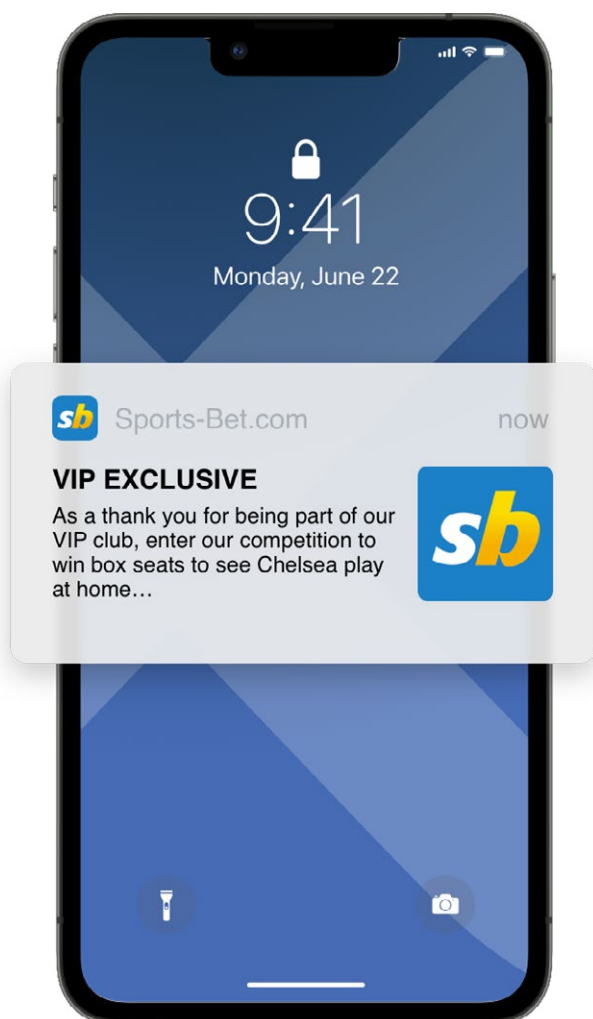
Pushing out an SMS campaign on match day is unlikely to yield any meaningful results. Start the hype at the beginning of the week and the chances of deposits being made increase significantly. There are opportunities for operators to work with clubs and teams to reward players who attend matches on a regular basis. Free food and drink or discounts in the team shop for every bet over a certain amount is an incentive that will drive conversions.

Operators can even tier incentives based on each player's average bet. Nudging that bet up ever so slightly in exchange for a free drink of their choice might be enough to incrementally increase engagement. Over time, as the relevance, value and trust builds, player lifetime value will increase as well.

Loyalty

Loyalty is the silver bullet of sports betting and gaming. Or possibly the golden goose. Regardless it represents the single biggest potential revenue driver but is arguably the most difficult thing to get right.

There are also ethical challenges. Operators can't be seen to be pressuring players to make increasingly large deposits in exchange for a sliding scale of benefits. Loyalty within SBG can't be about the money, it must be about value. That's not to say operators can't (or shouldn't) give players the opportunity to win bigger prizes.



But the best loyalty programmes focus on making customers (or players in this case) feel important.

Exclusive content, exclusive interviews, free and exclusive merchandise, competitions, VIP trips to games - including meeting the player of their choice, are all highly effective ways of building loyalty and driving engagement.

There's also more than one way of building loyalty reward thresholds. While operators can reward players for making deposits, this is ethically dubious and shifts the relationship back to transactions.

It is far better to reward players for placing bets on their favourite teams, the number and frequency of games played and even wins.

A major driver of loyalty engagement can also be through encouraging social shares and engagement with the operator's player community.

Forums or closed Facebook groups allow players to interact and share their passion for their favourite sports and games and share their knowledge.

Strong communities drive engagement and go a long way to building loyalty. Especially if that engagement is rewarded. A bonus deposit for interacting with the community everyday for a month is a nice place to start.

Taking community superstars to the FA Cup Final or the Superbowl is the gold standard that would make the player community across the entire SBG space sit up and pay attention.

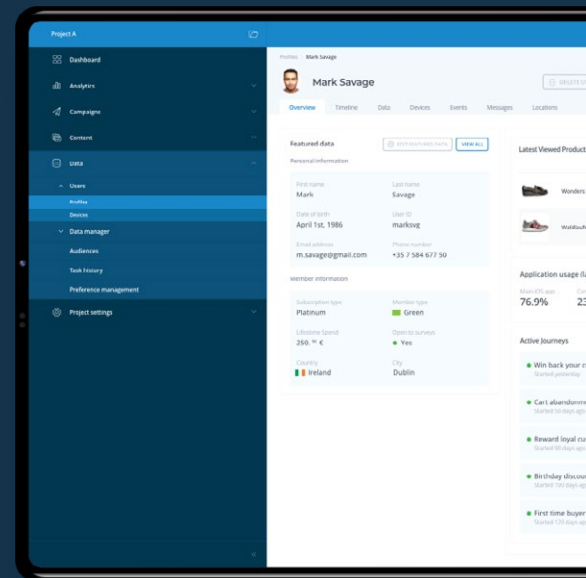
Operators willing to abandon the race to the bottom and, instead, recognise the symbiotic, not confrontational, relationship with their players are the ones who will dominate in the next stage of the industry's evolution.

About the Xtremepush platform

Xtremepush is a world-leading customer data and engagement platform solution. Providing a purpose-built, data-driven multichannel tool, Xtremepush helps operators communicate with their players more effectively.

It enables operators to acquire new players and communicate with existing players through automated, real-time and personalised messaging. Xtremepush works with a global portfolio of clients across several key verticals including sports betting & gaming, banking & financial services, eCommerce, travel & transport and publishing & media.

Xtremepush sells its solutions globally through offices in Ireland, the United Kingdom, North America, and Eastern Europe.



Get in touch to book your demo today

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