



What You Need to Know About Millennial Players and Their Need for Interactive Experiences

Presented By:



Introduction

Capturing the Millennial Player

The landscape of the gambling industry is experiencing a shift with the rise of online gambling and online casinos. In a society fueled by instant gratification, where information and entertainment is constantly “on-demand”, it is not surprising that online gambling has seen a rise in popularity.

In fact, studies show that the global online gaming market topped 40 billion dollars in 2016¹, and a recent survey found that over 40% of those participating in online gambling were millennials between the ages of 21 and 34.²

In a time when everyone is questioning how to capture the millennial audience and effectively market to this unique generation, these curious numbers about online casino play can be very telling.

This white paper will examine why millennials are drawn to online gaming, what casino properties can learn from these teachings, and how to leverage them to bolster millennial play at physical casino properties. Specifically, this report will discuss millennials’ need for interaction and how to enhance interaction with millennial crowds both on and off the casino floor, in order to provide a more rewarding and enhanced player experience.

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Background

The Rise of Online Gambling

While gambling did not originate in the United States, it has gone through waves of popularity throughout different points in history. Gambling was used in the early colonies as a way for communities to raise money, however the period between 1849 and 1855 was the highpoint of resurgence in gambling and gambling establishments with the exodus to the early Wild West and the Gold Rush.

By 1930, the state of Nevada legalized gambling as a way to revive the economy, and the industry has been growing steadily ever since.³ In fact, according to the American Gaming Association, today the United States casino industry is a \$240 billion industry, which supports 1.7 million jobs in 40 states.⁴

With the introduction of the modern internet in 1990⁵, the first online casino went live in 1994, with multiplayer online gambling introduced shortly after in 1999.⁶ By 2001, the estimated number of people who had participated in online gambling rose to eight million.⁷

Online gambling continued to grow throughout the years as a popular option among players for its convenience and on-demand options. By 2010, the online gambling industry had experienced a 12.5% growth, with players spending 10% more hours each week on online gambling.⁸ Today, the online gambling industry continues to experience considerable growth as player interest rises.

What Online Casinos Tell Us About Millennial Play

In 2015 the United States casino market revenue amounted to 71.1 billion dollars.⁹ Although this is still above internet gaming activity, by 2020 the online gambling market is forecasted to reach over \$59 billion,¹⁰ and properties may begin to feel the deficit when it comes to younger players.

While the effects of online gambling is not as apparent with the current generation of casino players, the millennial generation is poised to overtake these players in population as early as 2019.¹¹ Thinking ahead over the course of the next decade as current players age out and the millennial audience begins to have more disposable income to put towards discretionary spending, casino properties should be prepared.

Having grown up during the internet boom, the majority of millennials were raised on technology, and were able to easily adapt to technological advancements such as smart devices over the past decade. This makes sense when considering that millennials are probably the most connected generation ever. In fact, studies show that approximately 87% of millennials use two to three tech devices at least once a day, and that they touch their smartphones 45 times a day.¹² They also spend the most time online of any generation, recording

about 25 hours per week on online activity,¹³ which equates to approximately five hours a day. With all of the time that millennials spend connected with their devices, it's not surprising that they are utilizing online casino options more.

Online casinos are not only a more natural option for millennials, but the ability to access casino games "on-demand" better suits their busy, social lifestyles. With online casinos, they do not have to plan elaborate trips but can instead play for a small amount of time while on break from work or even while watching TV. Games are available 24 hours a day in the palm of their hand and do not require the time or monetary commitment that a casino trip does.

Translating Online Casino Preferences to Physical Properties

Millennials not only grew up with the internet, but they also had access to exciting and interactive video games with advanced, colorful graphics that they could play after school with their friends. That experience has translated into adulthood with their preference for skill-based games that are interactive and social—such as blackjack and other table games—versus the passive traditional slots that are designed as a single-player game and only requires pulling a lever or pushing a button. A recent study captured this difference in preference, finding that less than half of millennials prefer to play slots by themselves, while 70% of non-millennials prefer to play alone.¹⁴

To ensure that millennials are drawn to the casino floor to play more slots, it's essential to offer games that are more interactive, that require a mixture of skill and luck, while providing a social aspect that is reminiscent of video games. That familiarity will draw millennials in.

Similarly, offering a loyalty program where players can earn points for play will also encourage further gambling at casino properties. The most effective programs offer in-person reward events where players can redeem for merchandise in an exclusive setting. These interactive events are perfectly suited to the millennial player who seeks personalized and engaging experiences.

“ **less than half** of millennials prefer to play slots **by themselves** ”

Solution

Using Player Loyalty Programs to Attract Younger Players

The millennial generation's need for interaction and instant gratification won't only influence the games that they play, but will also determine whether they return to the casino property. It's important to build a player loyalty program with this crucial characteristic in mind, by creating interactive reward experiences that they can earn points to attend.

These reward events should offer a variety of trending products from recognizable brand names that the millennial audience craves, and allows them to interact with products. Looking to current market trends to see which products are in high demand is essential to providing an assortment of products that resonate with these players. Further, understanding the generation's demographic tendencies and lifestyle preferences, is critical in creating a motivating and attractive product offering. Interaction during these events doesn't end with products. These events also give millennial players the opportunity to speak with expert staff that can answer questions, provide guidance and offer individualized attention to each player, to personalize the experience further.

Millennials also like to have their voices heard, and these interactive events will give them the opportunity to mingle with casino executives. This will not only make millennial players feel valued, but will also provide the casino with important feedback.

When it comes to spending money at physical casinos, just 21% of millennials under the age of 35 cited gambling as an important draw.¹⁵ Instead, they are presently drawn to casino properties more for the ancillary services offered—including nightlife and entertainment options—over the appeal of gambling. By leveraging casino properties' ancillary services along with personalized and interactive reward events, casino properties can create effective loyalty programs to drive traffic and increase play on casino floors.

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Conclusion

Engaging Millennials with Interactive Experiences

The online gambling market is expected to continue its upward trajectory over the next few years, especially as the more traditional casino audience ages out and the millennial players grow in numbers. While many still view the growth of online gaming as a potential threat to casino properties, online gaming can also provide strong insight as to what millennial players are looking for in a gaming experience. Their need for interaction will not only dictate which games they play, but will also impact whether or not they return to the property.

By implementing a player loyalty program that offers exclusive, interactive reward experiences, millennial players' will feel engaged, appreciated and motivated to visit casino properties time and time again. Programs that include ancillary services, such as clubs, restaurants and other nightlife entertainment, will make players at all levels feel valued and will further drive spending both on, and off, the casino floor.

“ “ The **online gambling market** is expected to **continue** its **upward trajectory** over the next few years... ” ”

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