

THE SOCIAL GAMING EFFECT

Ahead of their panel session at this year's iGaming North America Conference in Las Vegas on March 20, **Michael Carpenter**, CEO of Ruby Seven Studios; **Troy Ross**, President of TRM Consulting Ltd; and **Bob Hays**, Head of North America at Williams Interactive, discuss the potential effect of social gaming on brick-and-mortar casino businesses.

Michael Carpenter, **CEO, Ruby Seven Studios**

At this point in time, we've seen a lot of exciting developments in the space. Many of the most popular land-based casino games have been taken to the social/mobile casino and are now available on Facebook and mobile devices as free-to-play games. These classic casino brands and their proven game designs will have a major impact on the social space as this quality and authentic real casino game experience become what all players expect.

I believe we may also see the flipside of this knowledge sharing, with games originally developed for the social casino possibly appearing in the land-based casino world. One of the unique differences between land-based and social casino games is that on social, we have the ability to test and iterate products extremely quickly. This allows us to bring a constantly improving game to our players, based on massive amounts of user data.

As part of the bigger picture, we're now seeing (and I expect even more so in the future) a true convergence between social, land-based, and online casinos. Emerging technologies have revolutionized the way players play in all three arenas. Most notably for both online gaming and social casino games, tablets and mobile phones have become ways for casino lovers to play their slot and poker games on the go, when they

don't have the time and wherewithal to stop by their favorite casinos. And for all three sectors, new 3D technology and game innovations are creating exciting new game experiences for our players.

Troy Ross, President, **TRM Public Affairs**

There is no question that social gaming provides significant opportunities for land-based casinos. Some of the largest land-based casino companies in the world, such as Caesars Entertainment, WMS, MGM, and IGT, believe that social gaming provides them with opportunities to engage and interact with potential new customers, and the proof is in the millions of dollars that they have already invested.

There are a number of reasons driving these investments:

1. Social gaming is a growing marketplace and reaches a broad audience that enjoys casino-style games. In only a few short years, hundreds of millions of people have become regular players. Approximately 800 million people globally play social games, and nearly 175 million of those people play social casino games. These figures are expected to double by 2015.
2. Social gaming leverages the preferred distribution channel of a younger demographic that may not be as likely to visit a casino. Social gaming allows terrestrial casinos to target, engage, and

interact with that demographic using the communication channel of their choice. This offers casino operators the opportunity to create and execute more effective and precise marketing campaigns to acquire and develop new players.

3. Engaging these players gives land-based casino operators the opportunity to gather considerable information about these players and data mine that information for commercial purposes.
4. Digital and terrestrial gaming and gambling entertainment options are converging into one broad offering.

Currently, social gaming is unregulated and that may be one reason that the activity is thriving across North America, particularly in jurisdictions where traditional online gaming is prohibited.

While terrestrial casino operators might prefer to direct online players to their "real money" online gaming sites, that is not a legal option in most North American jurisdictions. From a longer-term player development perspective, it makes business sense to first acclimatize players by having them visit their branded websites, play casino-style games, and eventually shift those players from a *freemium* model to a pay-to-play model when legal conditions permit.

Bob Hays, **Head of North America,** **Williams Interactive**

Since our formation in July 2012, Williams Interactive has viewed social casino gaming as a key player engagement channel for casinos seeking to benefit from the convergence of online and offline gaming

experiences. With more than half of social casino gamers under the age of 40, and Smartphone sales rapidly overshadowing PC sales, casinos not leveraging a solution to engage players with social and mobile gaming entertainment will find themselves at great risk of falling behind their competition and missing out on new ways to engage their current players, as well as introduce their casino's brand and offerings to new and younger players.

Casino players already participate in social casino gaming when not visiting the land-based alternative, often with brands unaffiliated with an offline casino entity. According to our sister company's (WMS) Active Gambler Profile, 72 percent of Avid Gamblers (those of highest in-casino value) play social games regularly. Likewise, many casino players are engaged in mobile gaming through native apps, including slots, bingo, and poker games.

We feel this is a huge opportunity for casinos to provide an experience – on desktop, Smartphone and tablet – that players already seek, while surrounded by the casino's

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unique brand and while being exposed to the casino's marketing messages and offers designed to drive those players back to the casino floor more often.

In deployments of our Play4Fun Network, a white-labeled social casino platform built and operated for land-based casino on desktop, iOS & Android apps, we've seen first-hand that terrestrial casino players follow the larger macro trends of both social

gaming and mobile gaming adoption. Anchored by our authentic Vegas-style slot games, we're seeing more than 2.5 visits per daily player, each

logging more than ten minutes and over 450 spins per session – all under the casino's unique brand. Combining this engagement with best-in-class marketing tools and capabilities empowers casinos to ensure the effect social gaming has on their operation drives increased revenue from their current player base, and allows them to engage players anytime and anywhere they want to play.

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