INNOVATION ANALYTICS

Introducing: Innovation Analytics

Where Gaming Tradition Meets Gaming Technology

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What? Innovation Analytics is the data analysis and new technologies arm of The Innovation Group, the premier provider of advisory services for the gaming and leisure industries. Leveraging the Company's experience working with industry operators, technology developers and investors, Innovation Analytics uses quantitative methods as the key to unlocking business insights in management, strategy, and marketing. Through our cutting-edge technical expertise in statistics, econometrics, and big data, we steer our problem-solving approaches with the power of quantifiable and testable business knowledge to generate new sources of revenue at a lower cost.

Why? Many operators are missing out. The convergence of digital marketing and interactive gaming is a fundamental shift in how the global gaming industry works. Emerging trends in social casinos, fantasy and eSports, and skill-based games have opened new windows for customer engagement. As the new digital gaming landscape unfolds, there are many questions. What are the prevailing technologies, guiding regulations, and potential revenue streams? Most operators have been left to either work through traditional slot manufacturers, with pre-packaged internet gaming systems that are difficult to customize, or new unproven companies with minimal impact or support. Innovation Analytics can help define a forward-looking path that will leverage the customer relationships and data you already own to maximize profitability while adding new active customers to both your bricks and mortar and iGaming databases.

Who? Innovation Analytics is led by the Partners of The Innovation Group and Innovation Analytics Principal Anthony Mason. Anthony has extensive experience in advanced statistical analysis, focusing in gaming on database marketing, strategic planning, and ecommerce for major international, regional, and tribal gaming enterprises. Supporting programming and code-writing and leading the analyst team for Innovation Analytics is Matthew Konopka who has Silicon Valley training and expertise in quantitative analytics in economics, statistical survey methodology, and litigation support. Primary research applied in Innovation Analytics is driven by ten-year Innovation Group Associate Erika Meeske, and iGaming demand analysis is conducted by Senior Analyst Interactive, Chris Irwin.

How?

Database Decision Analysis

Digital Interactive Gap Analysis

Primary Customer Research

Social/Interactive Gaming Platform

On Site Mobile Customer Data Capture

Please read on…

Analytics and Digital Marketing Services

Innovation Analytics knows data; but you know your business. Together we will equip your team with analytical tools that you can leverage in the future. Our deliverables include not only the solutions, but also the analytical process used to derive results. We will give you access to our analysis by producing our programming code for transparency, scenario analysis, and a path to future internal use.

DATABASE DECISION ANALYSIS

Optimize digital marketing to maximize your player ROI

- By summarizing and presenting the trends in your data sources, we highlight the most important business metrics and performance indicators. Linking real-time data and business performance to your project goals, we design a customized analytical framework that assesses your current status quo and identifies business decisions that lead to a quantifiable return on investment.

DIGITAL-INTERACTIVE GAP ANALYSIS

Upgrade your digital marketing platform to create new rich data sources

- The comprehensive Gap Analysis is a strategic process undertaken to ensure you are utilizing the most effective approach to digital marketing analytics, supported by the most recent technologies. We first evaluate current database marketing practices and interactive gaming systems. Next, we compare current operations to leading innovations in quantitative analytics and industry best practices. Based on the results, we then identify opportunities for improvements and develop an implementation plan with management to bring operations in line with the most cutting-edge analytics strategies in the industry.

PRIMARY CUSTOMER RESEARCH

Conduct ongoing customer surveys to provide valuable feedback and data

- Gaming and hospitality companies rely heavily on guest feedback to make improvements in operations. We evaluate survey results through statistical modeling of customer responses to determine which areas of intervention have the highest impacts on your satisfaction scores as well as improving the ease and timeliness of making changes to drive improvements.

SOCIAL/INTERACTIVE GAMING PLATFORM

Increase dialogue with your customers and revenue via social gaming

- A robust online relationship supports customer retention and acquisition, real-time communication leveraging social media, incentives for continued brand loyalty, and direct revenue. The ability to capture this valuable player data is made available online. Whether your systems were adopted in anticipation of “real money” play or for the sole purpose of expanding player relationships, we make sure you install systems that are up to par in attracting, retaining, and exceeding player expectations.

ON-SITE DATA CAPTURE

Owning your "digital dialogue" with customers begins in the parking lot

- Data capture occurs on mobile devices near or within your property where social media operators are capturing guests through WIFI channels to lure them into a “conversation”. You should control all communications within your property, not your F&B, entertainment, and retail operators, and we can help through technologies that put the customer and the data in your hands.

Database Decision Analysis – Case Study

"Ranch Casino" contracted with Innovation Analytics to assist in optimizing their direct marketing spend. Innovation Analytics did an initial evaluation of trends and found that profit margins dipped from 60% for guests with an ADT of $100-$150 to 20% for guests with ADTs at $50-$99. ***The results of our analysis conclude that Ranch Casino has an opportunity to increase Theoretical Profit by reducing promotional expense to $50-$99 ADT guests who live more than 50 miles from the property***.

Key Performance Indicators and Process

Ranch Casino uses Theoretical Profit as their key measurement metric. Innovation Analytics also included Revenue and Trips in the results so shifts in volume can be observed concurrently. Ranch Casino offers guests the following weekly direct mail coupons:

- ADT $50-$74 guests: $10 coupon
- ADT $74-$99 guests: $15 coupon

There are 60,000 active guests who fall between $50-$99 ADT. Innovation Analytics offered 10,000 of those guests an experimental promotion that reduced the weekly coupon by $5 to see if reducing promotional expense can lead to greater profits.

Results

A. **High Level Monthly Results**

Metrics	Observations	Group Difference	P-Value	Significance
Theoretical Profit	10,000	$5,000	0.60	Not significant
Revenue	10,000	($40,000)	0.40	Not significant
Trips	10,000	-700	0.05	Significant

Reducing the coupon for the group as a whole has a statistically insignificant impact on Theoretical Profit and Revenue for the entire $50-$99 ADT. We move to segmented results to see if there are any additional opportunities.

B. **Segmented Monthly Results**

Guests ADT $50-$99 who live more than 50 miles from Ranch Casino

Metrics	Observations	Group Difference	P-Value	Significance
Theoretical Profit	7,500	$15,000	0.05	Significant
Revenue	7,500	($500)	0.70	Not significant
Trips	7,500	-11	0.75	Not significant

Guests ADT $50-$99 who live less than 50 miles from Ranch Casino

Metrics	Observations	Group Difference	P-Value	Significance
Theoretical Profit	2,500	($10,000)	0.05	Significant
Revenue	2,500	($39,500)	0.05	Significant
Trips	2,500	-689	0.01	Significant

The experimental promotion effects split based on geography leading to a clear pricing strategy based on where guests live. Guests outside of 50 miles are not sensitive to $5 decreases to their coupon values, while guests who live within 50 miles are highly sensitive. ***By decreasing coupons only to $50-$99 ADT who live more than 50 miles from the property, Ranch Casino has an opportunity to increase Theoretical Profit by $810,000 annually***.

Digital Interactive Gap Analysis - Process

Situation Analysis

- Conduct extensive on-site client research
- Review internal digital marketing budget, goals, and decision making processes
- Understand current CRM and other traditional database treatment
- Review social gaming and related platforms
- Investigate status of internal data analytics capabilities and agency relationships

Gap Analysis: Comparison to Best Practices

- Assess the functionality of marketing and analytical infrastructure
- Analyze database marketing process and effectiveness
- Review primary customer survey research tools
- Evaluate social and interactive gaming programs
- Determine on-site data capture capabilities and vulnerabilities
- Assess opportunities in digital optimization to reduce marketing costs

Findings & Recommendations

Three resulting categories:

- Adequate systems/practices
- Inadequate systems/practices
- Further research required

Implementation Plan

- Develop action items based on findings and recommendations
- Identify parties responsible for execution
- Estimate project timelines
- Forecast service and technology budgets

Ongoing Project Management

- Define ongoing deliverables to support database marketing efforts
- Launch digital optimization campaign with periodic retooling
- Execute RFP's with third party vendors for marketing technology platforms

Selected Qualifications & Experience

	Project	Client
Interactive/Technology		
	Impact of Online Gaming PA	Amaya
	Bermuda Internet Gaming Feasibility	Pettingill Group
	CA iGaming Market Analysis	Commerce Club
	Interactive Advisory Services - Feasibility	Sandia Resort & Casino
	iGaming Market Impact Analysis - Spain	LVS (Las Vegas Sands Corp.)
	Due Diligence European Tech	Clarivest Group, LLC
	Expert Witness Internet Gaming	Poker Stars
	Interactive Advisory Services - Feasibility	San Manuel Bingo & Casino
	Strategic Business Plan – CMS	WIN Systems
	Start-up iGaming Profile	Shakopee Community
	Social Gaming Impact Analysis	Conf. Tribes of Grand Ronde
	iGaming Impact Analysis	Foxwoods Interactive
	Illinois Internet Gaming Demand	Rungood, LLC
	CA Mega-Bingo Analysis	Lowen Bingo Innovations
	Website Development Support	Bear River Casino Hotel
	Due Diligence Sever System Acquisition	Gores Group
	iGaming Feasibility	Potawatomi Business Development
	Start-up iGaming Profile	Osage Nation Gaming Ent.
	OTG Management	iPad Gaming Feasibility
Marketing & Database		
	Customer Database Segmentation	MGM Resorts/Borgata Hotel & Casino
	Mexico City Gamer Data Analysis	Codere
	Database Mapping Psychographic	Texas A&M University
	Customer Behavioral Surveys	Harrah's Cherokee
	Gamer Database Overlay	Augustine Casino Coachella
	Customer Database Analysis	San Manuel Bingo & Casino
	Primary Research Gamer Behavior	Spielo (Lottomatica)
	Gamer Database Analysis	Sycuan Casino
	Customer Behavioral Surveys	Pechanga Resort & Casino.
	Guest Satisfaction Survey (and related)	Tropicana Casino & Resort
	Strategic Marketing Plan	Elwha River Casino
	Marketing Management and Advisory	S&K Gaming, LLC
	Marketing Management and Advisory	Bear River Casino Hotel
	Strategic Marketing Plan	New Brunswick Casino
	Guest Satisfaction Survey (and related)	Blue Chip Casino & Hotel
	Strategic Marketing Plan	Casinos Austria – Great Blue Heron
	Property Marketing Audit	Excelsior
	Primary Research Immokalee	Seminole Gaming
	Vietnam Gaming Customer Research	PGP, Investors LCC
	Marketing Advisory Services	Grand Ronde Casino
	Customer Database Analysis	Hard Rock Casino Vancouver
	Guest Satisfaction Survey (and related)	Casino Omaha

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