TAKING GAMIFICATION TO THE NEXT LEVEL:

Utilizing personalization in the iGaming industry
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PERSONALIZATION IN iGAMING

Our world is rapidly becoming a customer’s paradise. The iGaming industry is no exception. It has become even more crowded, competitive, and has totally exploded, reaching a total worth of about $45 billion across all existing businesses – and expected to reach $60 billion by 2022. Estimates indicate that the online betting and iGaming industry will more than double in size from the period of 2017-2024, with all online gambling-related activities almost reaching the $100 billion mark globally 2025.

Global online gambling market was valued at US$44.317 billion in 2019 and is expected to grow at a CAGR of 7.13% over the forecast period to reach a total market size of US$66.994 billion in 2025.

-Businesswire, 2020

Customers are spending the majority of their online time on personalization supremos such as Amazon and Netflix. These powerhouses talk to their customers on a 1:1 level, which in turn sets your customers’ expectations at a much higher level and means that they now expect the brand to know their intentions and to serve highly relevant content each and every time they use your service. This bar raise in providing personalized customer experiences results in a squeeze on brands that are unable to compete.

Because of this ever-changing landscape, iGaming brands need to stand out to be successful. Costs of acquisition are rising due to the ever-increasing competition. These factors, combined with the shifts in player behavior and the ease to move onto the next service, make providing a customer experience that stands out of paramount importance.
iGaming industry statistics

2020 has been an outstanding year for online gambling. The rate of growth has exceeded expectations around the world. The current global trendsetters are the EU, USA, Japan, India, Australia, and New Zealand.

50% of all online gambling revenue globally come from the gambling leaders in Europe.

Top revenues come from Europe, which dominates over 49.2% of the world's figures.

11.5% is the annual growth rate of the industry and if this rate continues, industry revenues will more than double within 10 years.

Source: casinowow.com
Why is website personalization in iGaming important

For many years, the focus of personalization has been on acquisition. But in recent years, new regulations, technological advancements, and fierce competition are shaking up the way that players are betting online. With that, the importance of personalization to retention has become center-stage. Ever-growing numbers of iGaming operators are seeking to differentiate themselves to stand out from the crowded market by creating unique experiences.

Business objectives for iGaming operators:

- Reducing acquisition unit costs
- Improving player retention
- Increasing player lifetime value
- Increasing Net Gaming Revenue (NGR)
- Justifying marketing spends and ROI
- Increasing revenue from existing players

Personalization has a positive impact on the conversion rate and average customer value. The players who complete transactions are more likely to return and share their experiences – and become loyal. The loyalty improvement is the “interest on interest” in personalization ROI. The iGaming industry typically focuses on the number of games played per session, deposits, and loyalty.

The business case for personalization:

- 20% increase in conversion rates
- Increase in operating margin
- Increase in engagement (games opened)
- +10% increase in NGR (Net Gaming Revenue)
- +10% increase in player deposits

The figures given are approximate estimations that can be affected by factors like location/market and monthly sessions.
Many companies spend big on advertising to acquire new players but many of those efforts are diluted if the website isn’t performing to its best potential or meeting the players’ expectations for a good gaming experience. In addition, advertising is becoming more regulated and is now restricted in certain markets, meaning that player engagement is even more important. One player experience doesn’t fit all, so it’s important to recognize the importance of tailoring player experiences to their individual preferences.

The satisfied players (and even their friends) typically return and create repeat business. This takes the pressure and costs away from customer acquisition through advertising as the lifetime value of customers increases and more business is created through referrals. The positive loop of personalization is born.

**The compound business impact of personalization**

By offering personalized solutions to the iGaming industry and leveraging machine learning, iGaming operators are given control over the content hence allowing them to offer their players the kind of content they are interested in. Personalization offers a unique experience for users by solving the problem of showing the same titles multiple times on the same page, thus bringing order into regularly played and new titles.

Most consumer verticals, such as retail or travel, serve a tangible need of their customers, unlike iGaming. Here the entire play is about keeping your users entertained and hooked. This means that for any operator to stand out in the competition, keeping the users’ attention intact is very critical.
UNDERSTANDING AND OVERCOMING THE CHALLENGES OF THE DIFFERENT PERSONAS IN THE INDUSTRY

As one of the most profitable industries worldwide, the estimated growth in the iGaming industry is predicted to be improving by 14% every year. This incredible growth is a reason to celebrate but in the world of iGaming, everything moves quickly: players seek new experiences, regulations change, new markets open, and the pressure increases in more established iGaming markets.

CMO - Chief Marketing Officer

The real challenge for an iGaming CMO is to find the right balance between growth vs profitability and brand building vs marketing. Regulation changes and other controlled market conditions can make forecasting and ROI analysis even more complicated. With this in mind, AI-driven personalization will be one of the most important drivers of growth in mature online gaming markets over the coming years.
For years, the gaming industry covers a niche space that many marketers think of as an unpredictable, frustrating venture. There are challenges to marketing teams of iGaming operators. We look at some of those below.

01 **Expensive traffic acquisition costs due to a competitive landscape**

The first challenge faced by chief marketing officers is deciding which games to promote and selecting which games to put marketing bucks on. Acquiring traffic and promoting new games have become increasingly expensive and complex, forcing marketers to contend with an ever-increasing range of titles in a very competitive landscape.

02 **Larger competitors can better monetize traffic due to advanced technology**

Larger competitors in the iGaming industry continue to dominate online advertising, search, and traffic. It seems like an impossible uphill battle to compete with massive sites that can better monetize their traffic due to their advanced stack, platforms with more advanced innovation, and CRM. These businesses have a wealth of knowledge in the industry, and with revenues running in billions, dollars to spare. The bigger these operators get, the more efficient they become in monetizing their players and the better the ROI on each player they buy.

03 **The high cost of traffic with a solution that does not efficiently monetize the traffic**

To say that the iGaming landscape is hypercompetitive is an understatement, with up to $55 per click! With such skyrocketing CPC’s (cost per click), the competition gets even fiercer and conversion rate becomes absolutely crucial. Squeezing out margins of efficiency becomes riskier so you need to have a close eye on the budget if you want to succeed.

With focused attribution, a digital campaign’s success is under the spotlight and easy to quantify. When a positive return on investment is not achieved, sustainable growth is not possible – therefore iGaming marketers need to be smarter than ever with user acquisition.
Overcoming the challenges through personalization

The big question for marketers is: how can you maximize your own brand’s visibility and tap into the uber-competitive iGaming industry? How can CMOs turn the tables upside down and overcome these challenges?

From dynamic creative optimization through to AI-driven personalization, ensure that you’re targeting the right people, with the right message, using the right channel, at the right time. The CMO sits atop of the marketing machine, but to make the whole process effective and efficient they need to work with the entire team and obtain a good personalization software that should ideally be able to run comparison tests, such as A/B or MAB tests to bring clear business benefits such as bigger returns and reduced time.

Time to zero in on the games that bring real value and convert based on their brand values, target audience, and geographical reach. Here are three ways:

01 Increasing the relevancy of content through AI-driven recommendations

In the iGaming industry, there’s no doubt that content is king, with a market built on a wide variety of content that aims to provide the best player experience. With about 30,000 existing games and over 50 more launched every month, how can you present games that will surely entice and attract players to click on them? Easy. Create a unique gaming experience targeted to every player. Offering relevant game recommendations aims to offer content or guidance that is relevant to a player’s situation and individual needs. The relevancy drives the likelihood of conversion rates and transaction value. Brands experience a 20% increase in players engaging and viewing casino content when their page has personalized recommendations.
AI-powered recommendations ensure that you’re harnessing all of the data available on every touchpoint of your service, thus increasing conversion rates and the player's lifetime value. You can leverage the data to start predicting what slot/game/market your player would like to see next. This continuous combination of learning from a player’s product interest, their profiles, and the context of their visit, means that you can offer highly targeted, relevant, and engaging content.

02 Building trust, increasing player engagement, and improving retention

Effective website personalization elevates player experiences above untargeted, one-size-fits-all blasts. Segmenting and understanding players so as not to spam them with sports and game content that they are not interested in is increasingly key. With data and technology, you can understand target markets and players’ behavior, thus leading to a stronger backbone for smarter and more effective player acquisition and retention strategies.

03 Tailoring through technology

The combination of data, AI, and other machine learning techniques will play a huge part from responsible gaming to building recommendation engines and providing players with personalized experiences.

The iGaming CMO should be smarter. The CMO and the marketing teams will acquire actionable insights to boost acquisition and retention if they have properly digested player data. The goal is to get closer to the ‘holy grail’ of marketing: right customer, right message, right time, right channel. Most game operators now have big data solutions in place. It’s almost impossible though for CRM teams to manually process the huge amounts of data that they gather on their players, especially on the legacy marketing platforms that are still prevalent in the iGaming industry. The solution is to automate the process via AI and flexible platforms. This leads us to the importance of ensuring you have the proper and effective personalization software.
Most iGaming operators battle with time management and struggle which of the many tasks should be prioritized, with the IT team usually at the forefront of any project.

The IT team is most likely involved in every project that the company runs, whether it be from GDPR, UI changes, CRM/back-end changes, etc. They work with game providers, banking, KYC, registration flow, and other important tasks that not only keep the site up and running but also comply with ever-changing local and international laws and requirements.

The real cost of creating an in-house IT team

With the increase in big data and the emergence of AI, cryptocurrency, VR games, and eSports, the workload and strain on the IT department are only set to increase in the coming years.

It’s then no longer a surprise that when a request comes from the marketing team to update the row of the most popular games on the site or change the content of a banner, it is not put on top of the pile. With a huge work backlog, it can actually take months for the simplest changes to be implemented and by then, the campaign has already ended or no longer updated.

These irregular, ad-hoc, more tactical changes should be left in the hands of the team that works closely with them, whilst leaving the more strategic site changes to the IT team. Doing an in-house personalization project may seem like a good idea at first because using your available resources looks more practical. But in the long term, the IT team would also need to build a user interface for the marketing team to change and monitor personalization.

Automated testing brings many benefits for iGaming companies

A good personalization solution should ideally be able to run comparison tests, such as A/B or MAB tests that bring clear business benefits such as bigger returns and reduced time. By automating the content selection, the casino manager or the marketing team can drastically reduce the time spent on manually selecting game content shown in each market. But the entire work must maintain a simplified UI if it will be run and analyzed by the marketing team, or else, it will be controlled by the IT team, who will set it aside, as mentioned previously, because it’s not their top priority.
As marketers and ecommerce professionals we know that there’s a positive impact on website KPIs when our content matches what visitors are looking for. The conversion rates are higher, retention rates see an uplift, and the customer lifetime value increases, just to name a few.

From Frosmo’s perspective, segmentation is a building block, a cornerstone even, for effective personalization. And personalization in itself provides visitors with relevant content at the right time and in the right place. Personalized content is powered by a unique combination of segments.

From an engagement point of view, everything starts from the segmentation. Profile players based on their game preferences and identifying automatically the look-alikes. Based on segments operators can show relevant content to help the players through the desired action as smooth as possible. Operators can design the whole player’s journey using different triggers to show the next content, for example, cross-sell between sportsbook and casino efficiently. Player insights can be leveraged also for reactivation through eg. email or retargeted advertising.
The more fine-grained segmentation is applied, the more effective it becomes. As a reference, some Frosmo users have created hundreds of segments so that they can create one-to-one experiences across their network of websites. Luckily, Frosmo supports an unlimited number of segments.

Broadly speaking, there are 4 segment types: demographics, context, behavior and life cycle, and psychographics.

<table>
<thead>
<tr>
<th>Demographics</th>
<th>Information that can be tied to the visitor’s climate, culture, gender, and age group.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Examples: Age, gender, location (city, region, country), weather forecast.</td>
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<thead>
<tr>
<th>Context</th>
<th>Context refers to the technology the visitor is using. Related attributes are used to ensure compatibility and to ensure that the content is optimized.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Examples: Browser, device type.</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Behavior and life cycle</th>
<th>Segmenting based on behavior helps establish where a visitor is in the purchasing process. The info helps gain insights into what they’re trying to do next.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Examples: Pages visited, number of visits, recent purchases, viewed products, potential value, website logins.</td>
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<tr>
<th>Psychographics</th>
<th>Data about psychographics is harder to capture and relies heavily on your expertise to get right. How well do you know your customers? However, getting it right is also going to have the biggest impact on your bottom line.</th>
</tr>
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<tr>
<td></td>
<td>Examples: Interests, lifestyle, moral values.</td>
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</table>
In Frosmo, you can use any of the criteria above (or any other ones that you can come up with) by defining what action a visitor needs to perform to get included in a segment. Then you use the segment, or a combination of segments, to define who you want to show a particular website modification to. Like the segmentation rules, these modifications can be anything and shown anywhere on your website.

Recognizing individual player needs is the start of better conversion rates. This is called personalization and it starts by knowing your players’ preferences and defining the segments the players belong to. What casino games are they more likely to play? What sports team do they follow? What is their favorite horse? How willing are they to try something new? The most commonly recognized player segments for iGaming are based on:

- Marketing source
- Interest identification
- Player profile identification
- New or returning players
- Understanding player intent
- Early churn potential
- Early VIP potential

By showing multiple modifications (think recommendations, messages, CTAs, etc.) on several pages, you effectively personalize your entire website. And since segments are dynamic, each action that a visitor takes can potentially add or remove them from a segment, altering what they see accordingly and improving conversions.

Segments are must-haves for marketers as they enable targeting and tending to an individual’s needs. Software shouldn’t limit the manner in which this is possible. If anything, quality software, especially personalization software, encourages its users to come up with clever ways to reach the right audience. And by following that philosophy, Frosmo empowers marketers to think creatively, rather than think about rule limitations, of what they wish to do on the website and enables them to effortlessly execute their ideas.
HOW PERSONALIZATION TRANSFORMS THE IGAMING INDUSTRY

Personalization has revolutionized digital marketing, delivering custom-designed experiences for various audience segments. It can revolutionize the online gambling experience for your players and, in the process, transform the iGaming industry itself. iGaming brands that personalize the online gaming experience for their players will be well ahead of the game. Add personalization to your customer experience and marketing toolbox so your company can differentiate itself from its competitors.

The underlying challenge for the operators is that the games are similar across the field. The competition is fierce which creates short-lifetime players. There are also a lot of basics that a competitive operator needs to get right – the service needs to initially build a level of trust with a (prospective) player. The conditions, payment options, and offering of markets and games need to be attractive. Building distinct brands and great functionality are the basis for a great player experience. To be a winning brand, the customer experience and engagement need to be at the core of the service.
The role of personalization in improving industry marketing practices and standards

For a lot of the operators, the customer acquisition cost today is on a level where even reaching breakeven can be challenging. We see that personalizing the player journey from the very beginning – i.e. when the person first hits the site to the first deposit and the first game played is crucial to improve the marketing yield. The journey should be differentiated based on the subtle cues that we get from the player – e.g. where he comes from when he arrives, what actions he takes first.

Secondly, as pretty much in all online services the service itself needs to become the sales channel. What we mean with this is that the service needs to market its content to each player all the time – and we know that this should be done in as relevant a way as possible – based on everything we know about the person.

Thirdly, with a technology like Frosmo we are learning about the behavioral patterns of the players constantly – and with AI and Machine Learning we are able to apply that intelligence in real-time to present timely and relevant proposals to the players. This could be about predicting churn, identifying VIPs, or what games could be interesting for an individual.

Personalization is a lot like great customer service, ultimately it is helping the player find relevant games, reassuring them about the right decision, teaching and showing something new to try, and getting the reward tailored to the player after accomplishing the desired action.
The iGaming industry isn’t new to AI, the emerging tech trend that stands out the most at the moment. However, the use of real-time data can help retain customers and provide a competitive edge. In the hyper-competitive world of iGaming, operators are increasingly aware of the need for AI in personalization to improve product usability and create different features and customized offers. With expanding technological capabilities, being able to anticipate the player’s needs and respond to them with personalization is the best way to increase churn, retention, and lifetime value.

Personalization is important for an iGaming brand to stand out. However, basic segmentation, pre-set timeframes, and bonuses that aren’t tailored won’t provide any differentiation. Most operators face common technological challenges when it comes to real-time data, especially when they have insufficient legacy systems in place. They should start implementing smart technology and use an effective platform that enables them to utilize data, player engagement, and analytics.
How AI is utilized in online gambling

The big players such as Amazon, Netflix, and Spotify are the epitome of AI success. With their advanced algorithms, they’ve helped people find things that they didn’t even know they needed and took action. The trust that the customers place in their recommendations brings benefits to both the customers and the brands.

Now let’s apply it to iGaming. Imagine your home page filled with promotions and welcome offers about sports betting when you’ve never placed a bet on any sporting event in your life. You’re interested in online casinos and lottery but these are not found anywhere on your home page. This is where AI comes in: bringing tailored promotions exclusively for you and showing content that is relevant to your interests.

For example, a lot of physical casino establishments have pivoted to an online offering due to COVID-19 pandemic. Because of this, many operators have a wealth of data at their disposal that can provide the basis for a tailored approach as their players switch from the casino floor to online. Thanks to AI, they can provide a seamless transition. With the existing customer base they already have, and with the data they have on file, they can make the players feel at home on their website by, for example, showing them their favorite game, but online.

An effective AI strategy in iGaming begins with a thorough understanding of potential players – how, where, and when they interact with the brand. The starting point involves gathering information about a player’s psychology to better develop algorithms and user interfaces that are vital to the user experience. The information gathered from a multitude of data points enables the systems to quantify user behaviors and preferences. To stay relevant and to maintain performance, there should be regular improvements and reviews of algorithms.

A smart platform that utilizes multiple data points can provide a real-time 360° vision of players. Real-time data gives in-the-moment insights into a player’s behavior, allowing the systems of iGaming brands to deliver appropriate content at the right time.
Personalization using AI

In iGaming, players usually have the choice to personalize their own bets with many build-a-bet features available across the board. But the goal is for personalization to happen without them having to do it themselves. Some players always know exactly what sport they are going to bet on, others may prefer to have a look at what’s available and then decide. iGaming operators must have a flexible and scalable method in CRM campaigns that can respond to both kinds of players.

User experience is all about personalized entertainment. iGaming operators find it difficult because there’s a broad variety of events that expire, which makes the timing of communication critical. To ensure player satisfaction, adaptability is important. This is where AI comes in: it helps to decipher when is the most suitable time to communicate. Operators must remember, personalization should not only be focused on increasing turnover but also on keeping players engaged and happy.

Such a high level of personalization can only be achieved thanks to the vast amounts of data that can be generated—and iGaming has one of the best datasets available. Every click, game action, purchase, and progression is recorded and stored in a database. Because of the constant and continued relationship between player and game, AI can gather a unique sample of information on each player’s behavior over time.
Managing player relationships with AI

AI can deliver tailored marketing campaigns as it can collect iGaming behavioral data which benefits the operator and the player. For example, mobile app usage, recently visited pages, wagering limits, live betting event status, and any tournaments of interest. It isn’t a one-sided data collection as it also boosts the player experiences.

Monitoring different behaviors can also help with segmentation processes. Imagine being able to predict when a player is going to be lost and then having a perfectly timed communication as an incentive to come back? It would also be great to identify a player who has reached a monthly limit but is heading to the deposit page. No incentives should be offered to a problem gambler. Stepping in with a reminder about monthly limits and responsible online gambling can also be done with ease. With machine learning algorithms, early signs of problems in iGaming can be detected which can avoid this happening.
Brands need to stand out to be successful. Costs of acquisition are rising due to the ever-increasing competition. These factors, combined with the shifts in player behavior and the ease to move onto the next service, make providing a customer experience that stands out of paramount importance. The Frosmo SaaS platform provides iGaming companies with complete freedom to offer any type of personalized customer experience, regardless of their existing technology stack and resources.

### Business impact with Frosmo

- **+97%** Games opened with Frosmo recommendations
- **32%** More deposits were made after adding recommendations
- **65%** More conversion to app downloads in less than 2 weeks
- **86%** Accuracy in churn prediction
- **+18%** Games played with Frosmo recommendations
- **+32%** Deposits with smart Deposit Call-Out
- **1 day** Special experience for the day of The Kentucky Derby
The anatomy of personalization with Frosmo

Personalization is defined through the 4Ws that specify “Who” should experience, “When”, “Where”, and “What”. To build an effective process for personalized customer journeys, consider the following 4 essential steps.

- **Who** will experience the personalization
- **Where** the personalization will be placed on the site.
- **What** for the personalization.
- **When** will the personalization be displayed.

Comparison group and working with content variations allows us to A/B test and validate the business impact of the personalization.

What Frosmo can do for your online gaming sites:

- Improve website user experience without making changes to back-end systems.
- Provide a faster time to market through fast and easy front-end development.
- Increase gross sales through personalized content and promotions.
- Predict churn, VIP customers, and problem players with artificial intelligence.
A 10% improvement in conversion reduces the acquisition cost by $41 per player and improves the profit margin by 8%.

**Costs of acquiring new players**

CPC (Cost per Click) on “online slots” in the UK arises to 90$ meaning that the average operator is able to convert 20% of the clicks resulting in CPA in 450$.

The best casino affiliates charge 350 - 500$ in an NDC (New Depositing Customer)

Average customer lifetime value - 500$

Average customer tenure is 2 - 3 weeks

**Tailor player experience to their individual needs**

Advertising is becoming more regulated and is now restricted in certain markets, meaning that player engagement is even more important. One player experience doesn’t fit all, so it’s important to recognize the importance of tailoring player experiences to their individual preferences.

**One size doesn’t fit all in iGaming**

- Michael
  - Helsinki, 2AM
  - Live Casino
  - No deposits lately
  - VIP player

- Lisa
  - Barcelona, 8AM
  - Slots
  - 20€ average session
  - Returning after a break

- Robert
  - Stockholm, 6PM
  - Horses, Football
  - No games played yet
  - From Search
The best results in conversion rate optimization are generated when historical player data from different channels is combined with real-time behavioral data. This combination of data can be used to deliver personalized recommendations, content, and promotions that players are most likely to engage with. Engaged customers will lead to better customer retention rates and higher customer lifetime value.

Make the front page relevant for your players

Regardless of whether you’re welcoming a customer to your brand for the first or 10th time, it’s vital that you show relevant and engaging content on the front page. One example includes ushering your roulette playing live casino customer back to your service and directly loading the live roulette game lobby. Another one is ensuring a Wolves football fan who bets routinely on his beloved Wolves is served a pop-up modal acknowledging this type of behavior and welcomes him with Wolves-themed content and a relevant bet option. This ability to show relevant content on the first page of your service can have a 4x impact on conversion.

By now, we’ve established that for the iGaming business to thrive, the player experience needs to be exceptionally good and personalized, but player experience requires much more than a pretty website. Ultimately, it’s about understanding your players’ needs and personalizing the player experience while reminding them of the thrill of finding new games to play.
The aim of any personalization is to offer content or guidance that is relevant to a player’s situation and individual needs. The relevancy drives the likelihood of conversion rates and transaction value. When you know your players, personalization can be applied dynamically based on a horse race, or game schedules, the player’s channel (e.g. mobile, desktop), geolocation, time of day, or real-time behavior. For example, if a player is behaving in a way that can be interpreted as a high intent to convert and purchase, you might want to promote options such as live games or new bets.

Example: AI-driven promotion on the front page

Maximize the impact of 72 inch² of real-estate and 10 sec. of customer’s attention

Personalization will allow you to take advantage of that intent, leading to greater conversion rates and customer satisfaction. The ability to show relevant and personalized content on the first page of your service can have a 4x impact on conversion rates. For example, ushering your roulette-playing live casino customer back to your service and directly loading the live roulette game lobby. Or ensuring that a Real Madrid football fan who bets routinely on the team is served a pop-up acknowledging this type of behavior and welcomes the player with Real Madrid-themed content and a relevant bet option.
Here are examples of tailored personalized experiences that are tied to business objectives:

| Streamlined navigation to favorite games | Time to first play  
|                                          | Game openings per player  
| Promotion call outs                     | Deposit vs. bonus ratio  
|                                          | Game openings per player  
| Recommended games based on profile      | Time to first play  
|                                          | Game openings per player  
|                                          | Increased time-on-site  
| Ease of usability improvements           | Defined based on testing  
| Reorganizing game listings               | Number of games opened  
|                                          | Number of bets  
|                                          | Time to first play  
| Low balance triggers for deposit         | Re-deposit #/value  
|                                          | Number of games played  
| Smart presets in deposits                | Redeposit # value  
|                                          | Number of games played  

**Customer case:** When a user visits TwinSpires, they’re usually ready to bet on their favorite event or horse. So it makes sense to highlight that particular event or horse as early as possible in the player journey. By personalizing which races a user sees, and segmenting according to previous behavior on the site, the convenience of using the site greatly increases.
Learn from player behavior with the help of AI

The preferences of players are difficult to predetermine and preferences also change over time. Artificial intelligence accelerates understanding player behavior which is the first step towards an excellent player experience. Here are some of the best practices on how to continuously learn about the players’ behaviors and how to implement those learnings to offer them the most suitable games, bets, and content. Collaborative filtering is a common technique to find similarities in players and recommend the next slots or games according to the most views and played games.

The main applications of collaborative filtering can be:
- Discovering similar players.
- Discovering similar games.
- Finding the potential interest of a user in specific products for targeted marketing (recommendations).

Apply AI for VIP user prediction. Only between 1- and 5% of players are VIP users but they contribute 60- to 80% of the revenue and are therefore a very important group to any iGaming operator. Earlier and more accurate VIP customer prediction models bring better player lifetime value. For a player, AI creates a more immersive and fun gaming- and betting experience. With AI, you can create a feeling that the casino is tailored to the player’s individual needs. Plus, AI helps identify behaviors that might lead to loyalty early on and is then able to serve those players with special offers and player journeys.
For the best conversion results, real-time onsite behavioral data should be combined with the CRM data. Individual VIP player prediction can achieve an accuracy of up to 86% in as early as 3 days after sign-up. Prediction data is used to tailor the journey according to the players’ interests, including streamlined navigation bars, call-outs, recommended games based on profile and real-time behavior, reorganized game listings, and campaign targeting.

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Frosmo’s AI automates personalization strategies in real-time

Reduce churn as early as possible. By definition, churn represents the act of a customer leaving the platform for good, and specifically, in iGaming the churn rate is relatively high. Therefore, it is important to address customer churn early to employ a successful retention methodology. Implement supervised machine learning models to learn from users’ past behavior (CRM data) and predict future probabilities of a user leaving the service.

Call out your brand’s USPs & promotions

Boosting participation in your cleverly thought-up promotions or rewards program is always challenging. Using all of the web real estates at your disposal combined with the data available means you can start to offer and highlight to players relevant promotions and rewards, at the right moment in their journey. The most successful brands use unique reward programs to encourage repeat visits and loyalty. Effective personalization includes maximizing the value that these reward schemes drive by increasing customer participation with progress bars, reward callouts, and engaging content prompts.
Cross-sell for better customer retention and customer lifetime value

Players expect a connected and consistent experience between various products and game lobbies. Different platforms for casinos and sports bring challenges to iGaming operators as they typically don’t share customer data and insights.

With personalization, the behavioral data can be easily shared between the two platforms allowing highly targeted content tailored to players’ preferences. Operators convert more players across products when they start to include recommended content at the right moment in a customer user journey. This can also create opportunities to cross-sell between the platforms, such as displaying casino games that the player is most likely interested in and showing the content in the most relevant areas when the visitor is most likely to engage.

With personalized recommendations, an operator has experienced a 20% increase in CTR when reviewing against a control group that sees non-personalized content. This operator displays casino games that the player is most likely interested in, this content is shown in the most relevant area of the sports lobby, and when the visitor is most likely to want to engage. This approach provides a connected feel between your two main products, clearly increasing engagement.

Customer case: Dafabet introduced new hovering menus to their site, where new and old games can be recommended to players in a more personalized and visual way. By suggesting new games according to the customers’ tastes, Dafabet has been able to increase its gross sales significantly.
The approach provides a connection between the two main products, which will increase engagement and conversions. The best practice in providing the cross-sell promotions of casino games is to use collaborative filtering combined with player segmentation.

**Customer case:** On Rivalo’s website, casino game recommendations were placed in various places in the sports menus and targeted certain segments of the players. Recommendations game carousel was implemented showing collaboratively filtered content recommendations, such as relevant recommended games that are played most frequently by similar players.

Achieve player loyalty and retention with these proven tactics

Keeping the right players is valuable because their conversion rates are naturally higher without high acquisition costs. According to Harvard Business School, a 5% customer retention improvement can easily lead to a 25 to 95% increase in earnings. That’s why it’s important to pay attention to loyalty and retention tactics.
Below are some examples of proven methods that are driving loyalty and retention.

- Make returning players feel welcome through dynamic front pages showing content according to the last played or the most played game.
- Predict VIP players and those who are about to churn. Use social proof tactics and show promotions to engage target players.
- Use RTP figures to recommend certain games to individual players to help them be successful.
- Use gamification to increase player participation e.g. introduce progress bars and reward callouts during games.
- Use personalized CTAs to push the right bonus at the right moment. Use deposit callouts and smart deposit presets to acknowledge the fact that players’ deposits are getting low.
- Maximize the time that the players are in your service. Implement recommendations and show new games and casino slots according to the players’ interests.
- Drive CTAs and recommendations as A/B tests or with AI-powered multi-armed bandit testing to show the most relevant games and content according to players’ behavior.
- Elastic search bars learn and self-optimize to display relevant content according to a player’s personal intent.

Recommendations for better engagement

Ensure that you’re harnessing all of the data available on every touchpoint of your service. With this data, you can leverage artificial intelligence to start predicting what slot/game/market your player would like to see next. You can leverage this data to start predicting what slot/game/market your player would like to see next. This continuous combination of learning from a player’s product interest, their profiles, and the context of their visit, means that you can offer highly targeted, relevant, and engaging content.

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>97%</td>
<td>Increase in games opened</td>
</tr>
<tr>
<td>18%</td>
<td>Increase in games played</td>
</tr>
<tr>
<td>32%</td>
<td>Increase in deposits</td>
</tr>
</tbody>
</table>
Driving the journey with automated recommendations

Customer case: 188BET can be sure that they are serving the right content to the right customer at the right time while minimizing their churn rate. Machine learning helps them select content based on a deep understanding of the players’ preferences.
Testing is always crucial as many improvements can cumulatively turn into big conversion rate generators. Testing helps you gather data to show what should be developed next, reduce costs, risks, understand the audience on a deeper level, and solve visitors’ pain points. We recommend starting testing with a solid hypothesis – know why you want to test, your conversion rate goals, and your expectations.

Use A/B/n testing to find out which variations perform better on a website. Examples of what you can test are banners, recommendations, navigation, CTA’s, social proofs, and content.

Multi-armed bandit testing makes testing faster and smarter with machine learning. With multi-armed bandit experiments, you can continuously learn and optimize your site while running your test. You’ll be earning while conversion rates are going up. Personalization and experimentation give operators a huge advantage to know exactly who their players are and their preferences and base their long-term strategic decisions on designing the services on a combination of different data points.
AI for fraud detection and responsible gambling

Responsible gambling operators ensure that their players know to stop when the fun stops. The introduction of machine learning algorithms can be deployed easily and quickly to identify users who are likely to self-exclude. Other ways to utilize machine learning include methods such as reality-check messages, promoting the setting of the account limits, and offering a time-out. With advanced segmentation, a customized player journey can match individual needs and tastes, while remaining responsible.
The future for the iGaming players looks bright. With so many factors at play and so many influencers shaping this space, the industry is climbing to thrilling new heights. Data-driven personalization will completely reshape the virtual world. The virtual world will no longer be existent because player experiences have improved and will continue to evolve through constant technological advancement and innovation.

The iGaming industry drills more into customization, witnessing the first steps to big tech and machine learning. As advancement in technology progresses, systems and software improve player analysis and promote product sophistication. Several features offer deeper insights into player decisions; such as bonus targeting and content creation.

To optimize the player journey, marketing campaigns will be targeted, including bonuses and other loyalty programs. The next version of cognitive technology will work with multi-level player segmentation, leading to more advanced recommendation engines and campaign variations. There will be a whole different meaning to automation. It’s no longer about uniformity to understand conversions but utilizing strategy and modifications to meet individual player profiles.

Although the iGaming industry remains one of the most challenging markets to influence, let’s not forget that the engine of every business is a customer, and in this case, the player. This belief is as old as time but still works. You need to stay as close to your players as possible and listen to them attentively.
Frosmo helps betting and casino operators to convert more visitors into first-time depositing players as well as increase player engagement and retention. By using Frosmo, operators can improve their net gaming revenues and player lifetime value which leads to a positive operating margin impact.

Why choose Frosmo

The Frosmo SaaS personalization platform provides iGaming companies with complete freedom to offer any type of personalized customer experience, regardless of the operator’s existing technology stack and resources. It allows the operator to do this by enabling a highly granular segmentation of visitors and giving the opportunity to interact with each person in a personalized manner – this could be through timely situational prompts, callouts or AI-based game suggestions, and more.

With the ever-increasing competition, and increased regulation governing advertising, getting the best possible first-time depositor yield from acquisition investments as well as monetizing the base of players couldn’t be more relevant for the operators today.

The application of AI and machine learning in technology like Frosmo has presented an opportunity to learn the behavioral patterns of players and apply that intelligence in real-time to present timely and relevant proposals. This can include predicting churn, identifying VIPs, or understanding what games are interesting for an individual. The business case is an increase in player lifetime value and reduction in marketing cost, this ultimately drives both the business top and bottom line.
Frosmo gives the product and marketing manager complete control to make casino changes and completely dynamic in minutes.

Automation removes the manual game selection process and gives your casino manager more time to be creative.

Each market can be treated independently with recommendations served based on data specifically for that market.

The Frosmo AI makes the best use of the product data and user data to pair the content with the user.
In terms of technical scalability and resilience, Frosmo has been pioneering the personalization space for about a decade now. We focus our personalization capabilities on client needs and player demands—shaping their individual needs and business priorities. We have had the good fortune to work with some of the leading brands which have helped us to evolve our technology not only in functionality but also in resilience and scalability points of view.

Personalization is really about mass customization in scale and in order for this to work, we have had to build distributed cloud-based delivery mechanisms as well as to spend countless hours optimizing our software architecture and code. As a result, we are today at a point where we are serving personalized experiences with our technology over 1.5 billion times each day. Some of our clients generate more than 40M€/day on peak events that we personalize.

With markets becoming more competitive and various outside factors impacting the bottom line on your marketing spend, the rules to succeed are continuously evolving. With nearly all operators offering the same game content and payment options, the true winners will be the companies that realize being at the forefront in customer experience is the key to gaining a competitive edge. Surviving and winning in this customer-focused market will depend on providing personalized customer experiences at every touchpoint of customer engagement.
What's next

Now that you’ve walked through the fundamental tactics and strategies to get your iGaming business going, it’s time to kick start your personalization journey.

Try the iGaming business calculator

We created the iGaming business case calculator to share the amazing business results we’ve witnessed in iGaming clients over the past ten years. The calculator is free to use – no sign-up or registration required. Based on these data points and your assessment of your current level of personalization, you’ll be able to see how much growth, incremental revenue, and additional margin you could generate based on Frosmo’s experience, just by improving the degree of personalization in your business.

Try it now

Subscribe to the iGaming digest

The Frosmo iGaming digest newsletter aims at giving you a closer look at the latest news in Frosmo iGaming. It’s packed with good content about online gaming personalization trends and insights.

Subscribe now

Request a demo

Reduce churn, grow lifetime value, and deliver a superior player experience in iGaming. Our winning personalization formula consists of AI-driven game recommendations that customize player experiences regardless of your iGaming platform. Turn passive customers into active players.

Request a demo
ABOUT FROSMO

Frosmo is a Finnish software company based in Helsinki with offices in the UK and Poland. With the Frosmo Platform, you can efficiently implement, optimize, and personalize each user journey without the need for a complex integration project. The winning personalization formula consists of AI-driven product recommendations that optimize each step of the customer journey delivering the best results in the market.

frosmo.com