

Ampersand Bellwether Report February 2021



Wave 5 Survey Results
Prepared by Fusion insight & strategy

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fusion
Insight & Strategy

Dear Ampersand Members,

I'm pleased to be sharing with you Wave 5 of the Ampersand Bellwether report. Released on a regular basis and usually right after we meet at ICE London, this year the report has followed a different execution path, affected by the global pandemic.

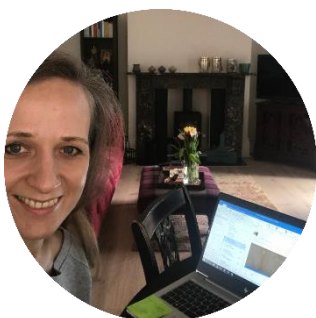
This is the second report that monitors the Ampersand members' attitudes and levels of optimism during the pandemic. The first one was done in March/April 2020, right after the novel coronavirus (Covid-19) had forced us to work from the comfort of our homes. Although the pandemic still impacts on members' views of the industry challenges, I am pleased to see that the levels of optimism are now much higher: **77% of you are more optimistic about the prospects for your organisation against 44% back in March/April.**

I will limit myself to sharing this one key finding to offer a note of optimism. There is a lot more interesting data in the report, with key findings on page 26-27 for those of you looking for a short summary.

Ampersand is all about knowledge sharing and networking and that's what we have been attempting to provide – virtually – throughout the difficult months of the pandemic. From over 30 digital speakeasies to the light-hearted, fun Ampersand WFH video, we are here to help you connect and find answers to your questions and challenges.

Stay tuned for lots more to come in 2021, whether virtually or live.

Keep safe and stay connected,



Ewa
Director of Insight and Engagement
Clarion Gaming

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Methodology

Web-based survey conducted using the Ampersand Gaming panel

Figures are in % of the total sample unless otherwise stated

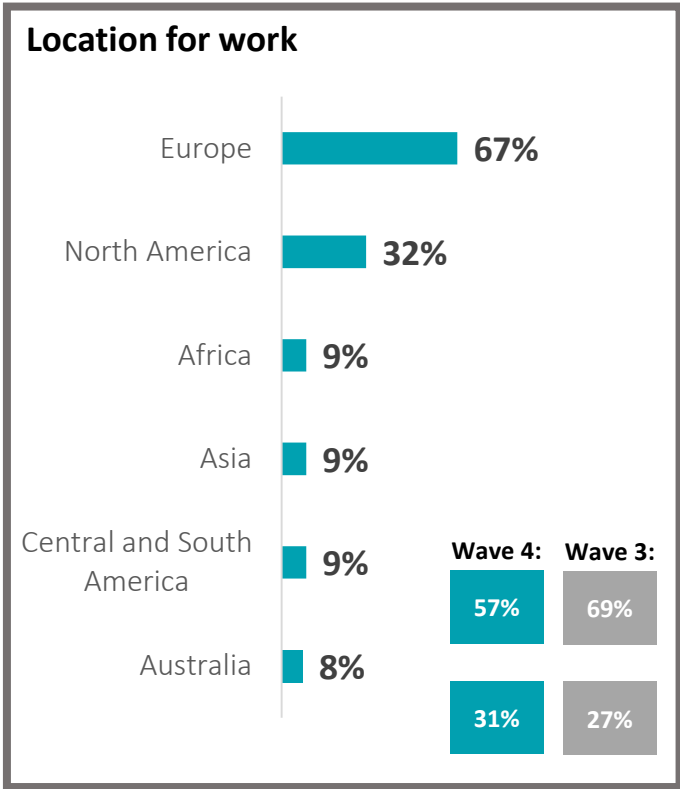
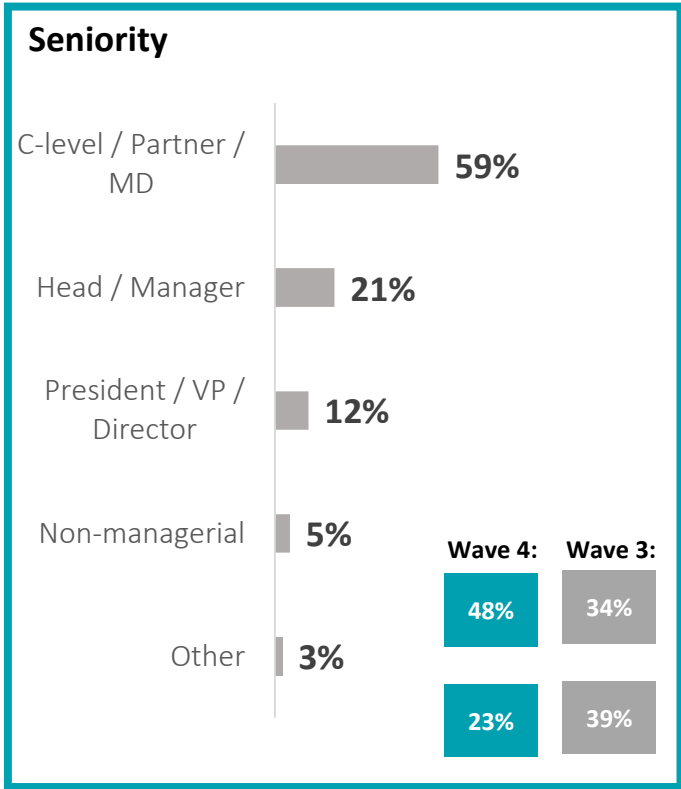
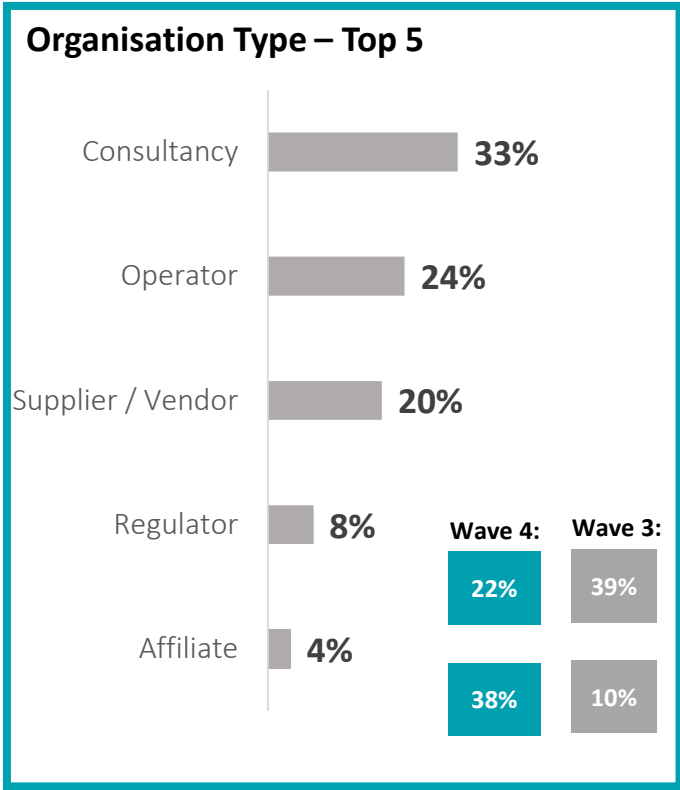
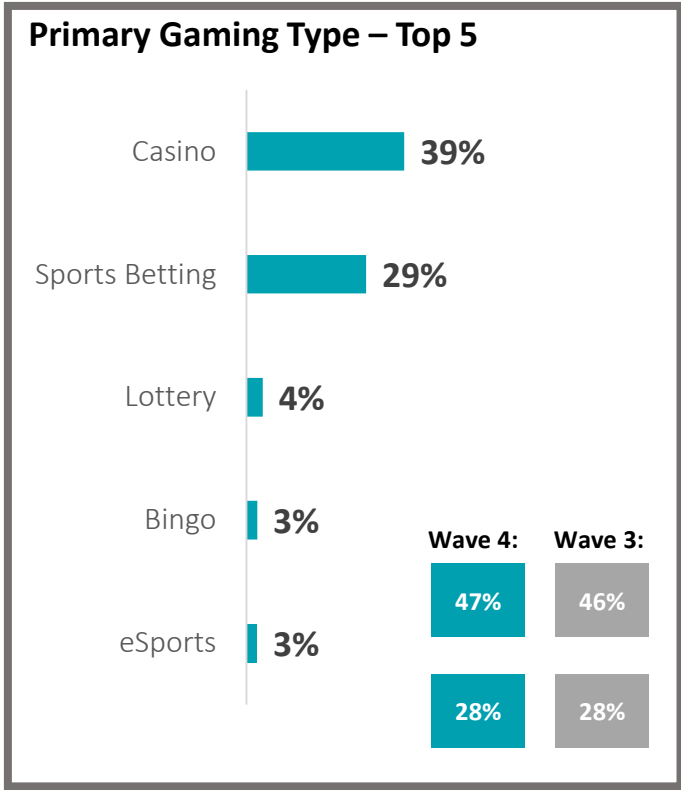
106 responses used in this analysis

	Wave 1	Wave 2	Wave 3	Wave 4	Wave 5
Fieldwork period	15 th Feb – 5 th March '18	30 th Oct – 29 th Nov '18	8 th - 29 th April '19	23 rd March – 17 th April '20	November 2020
Responses	150	93	219	109	106

Conducted during the Covid-19 pandemic

Wave 5 Respondent Profile Summary

*NB: Respondent profile is based on 71% of total responses (n: 75)



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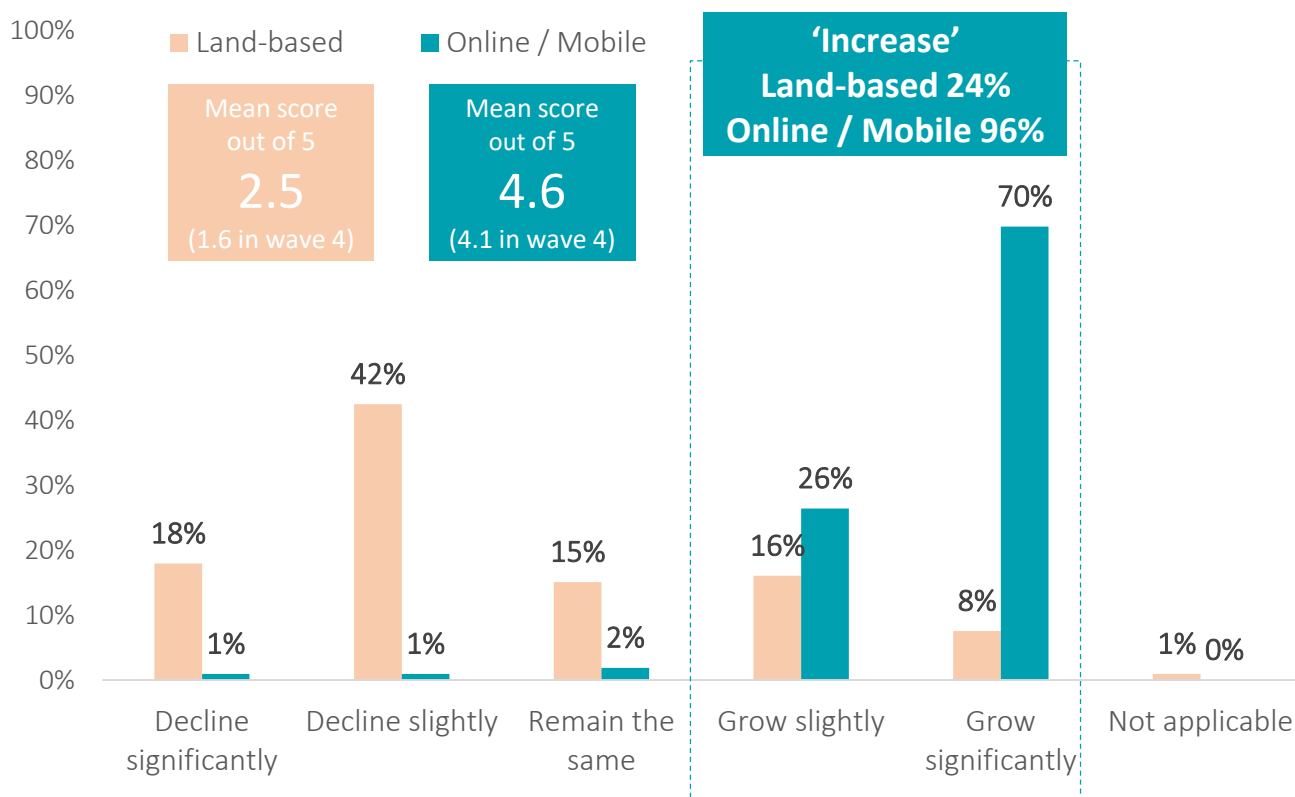
5. Respondent Profile



Online / Mobile is predicted to significantly grow over the next 12 months, while land-based is expected to decline by 60%

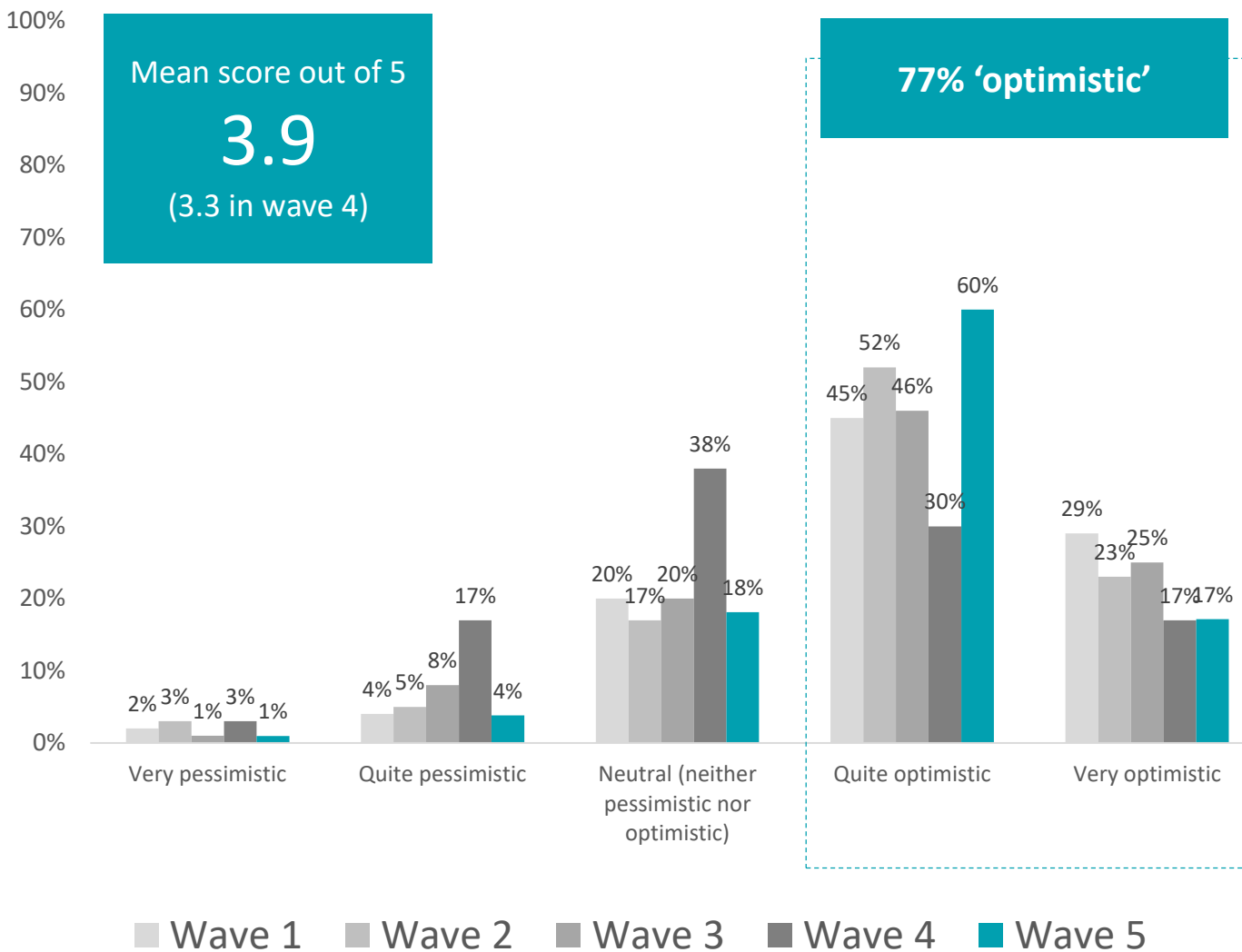
Q. Do you think that the following industry sectors will grow, remain the same, or decline over the next 12 months?

Base - total respondents from each wave



77% are optimistic about the prospects for their organisation over the next 12 months (42% in wave 4)

Q. And more specifically, how optimistic or pessimistic do you feel about the prospects of your organisation in the coming 12 months?
 Base - total respondents from each wave



The biggest opportunities in the gaming market are online / mobile gaming, esports, iGaming and moving into new / emerging markets

Q. What are the biggest opportunities in the gaming industry and why?

Base - total respondents: 106

Emerging markets

eSports

Mobile gaming

iGaming

New markets (US, LATAM & Africa)

Online gaming

USA online gaming

Returning to 'normal' after Covid-19

New territories

Sports betting

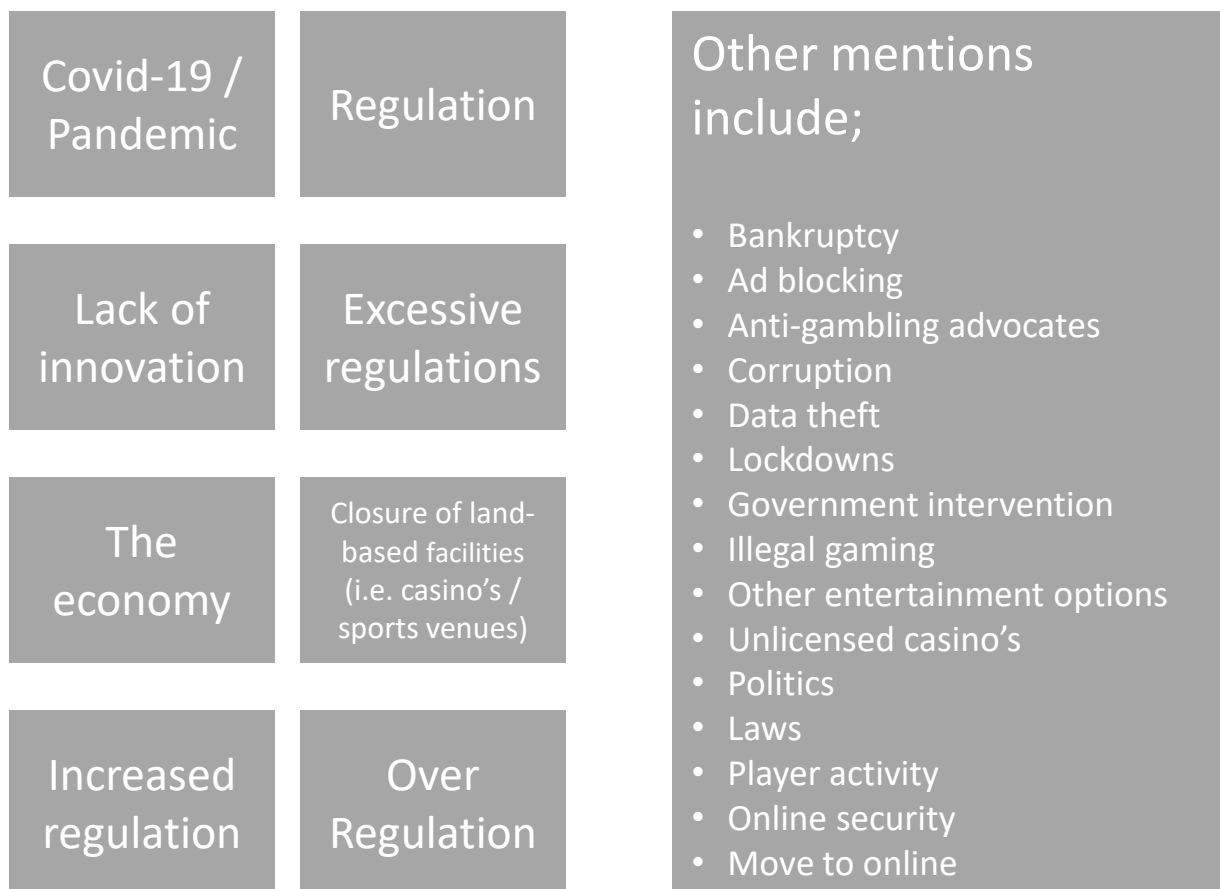
Technology

Expansion into new markets

**Besides from Covid-19,
Regulation was viewed as the
biggest threat in the industry,
similar themes identified in wave
4**

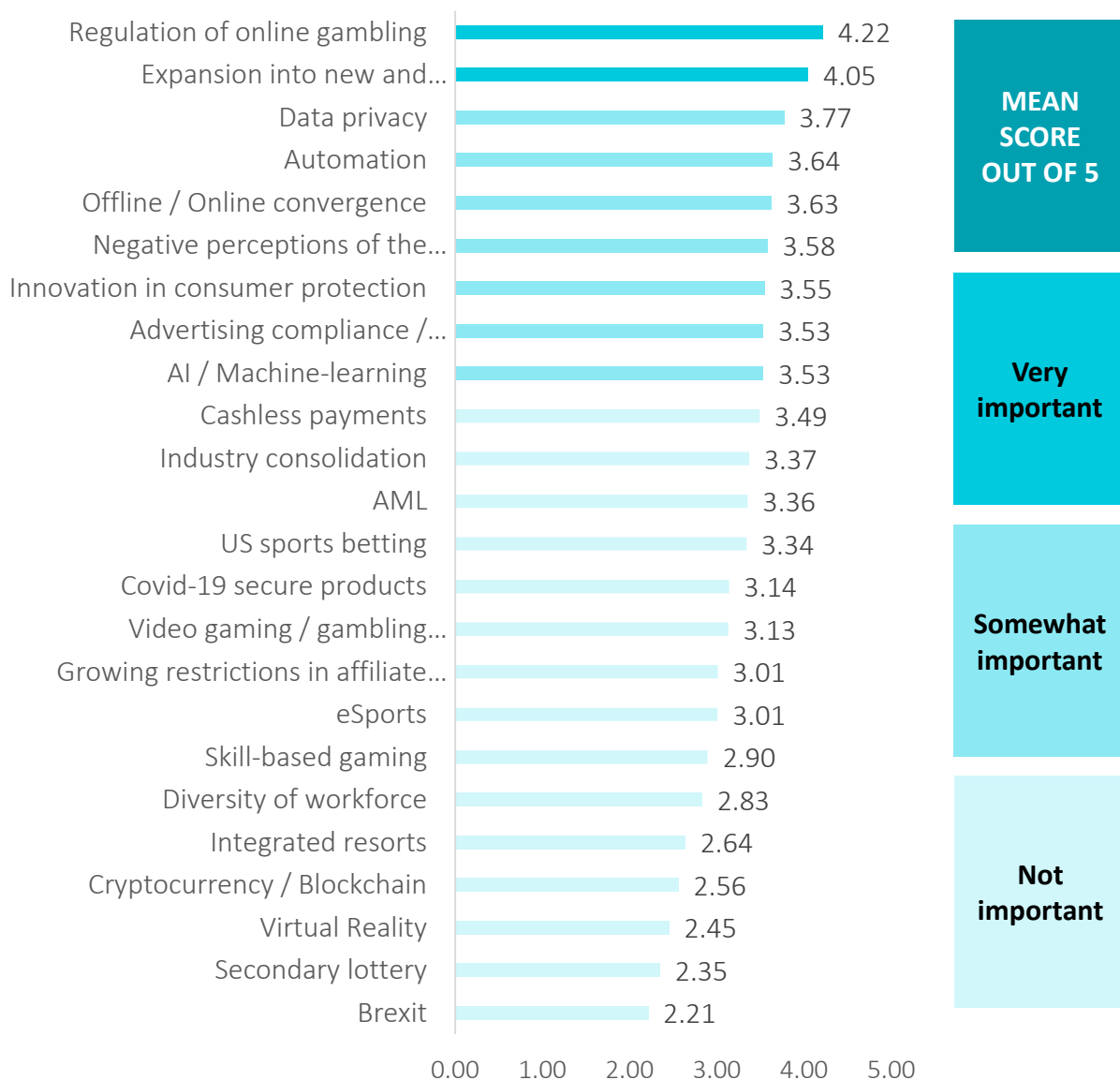
Q. And what are the biggest threats to the gaming industry and why?

Base - total respondents: 106



Regulations of online gambling and expansion into new and emerging markets are considered important trends and developments to businesses in the industry

Q. How important are the following industry trends and developments for your business?
 Base - total respondents: 106



Expansion into new markets has continually been an important development while ‘negative perceptions in the industry’ is considered less important than in previous waves

Q. How important are the following industry trends and developments for your business?
 Base - total respondents from each wave

	WAVE 5	WAVE 4	WAVE 3
Brexit	2.21	2.27	2.57
Secondary lottery	2.35	2.37	2.33
Virtual Reality	2.45	2.73	2.60
Cryptocurrency / Blockchain	2.56	2.49	2.62
Integrated resorts	2.64	2.70	2.81
Diversity of workforce	2.83	3.30	3.43
Skill-based gaming	2.90	2.93	2.92
eSports	3.01	3.44	3.14
Growing restrictions in affiliate marketing	3.01	3.18	3.33
Video gaming / gambling convergence	3.13	3.26	3.29
Covid-19 secure products	3.14	N/A	N/A
US sports betting	3.34	3.16	3.25

Expansion into new markets has continually been an important development while ‘negative perceptions in the industry’ is considered less important than in previous waves

Q. How important are the following industry trends and developments for your business?
 Base - total respondents from each wave

	WAVE 5	WAVE 4	WAVE 3
AML	3.36	3.69	3.80
Industry consolidation	3.37	3.67	3.53
Cashless payments	3.49	N/A	N/A
AI / Machine-learning	3.53	3.54	4.01
Advertising compliance / responsible advertising	3.53	3.74	3.64
Innovation in consumer protection	3.55	3.94	3.88
Negative perceptions of the industry	3.58	4.01	4.10
Offline / Online convergence	3.63	3.79	3.61
Automation	3.64	N/A	N/A
Data privacy	3.77	N/A	N/A
Expansion into new and emerging markets	4.05	4.42	4.47
Regulation of online gambling	4.22	N/A	N/A

The USA and LATAM are markets that 'excite' respondents for potential new markets to expand in to

Q. What new market (geographically) excites you as a potential new expansion target?

Base - total respondents: 106

Core markets

USA – 23%
LATAM – 20%
Africa – 17%

Specific Countries mentioned

USA – 23%
Brazil – 6%
India – 6%
Canada – 5%
Japan – 5%

If respondents had half a million (US) dollars to invest in technology, 24% said they would choose to invest in 'AI'

Q. If you had \$500,000 to invest in a new technology, what would that technology be?

Base - total respondents: 106



If a new senior position could be made up to achieve growth, respondents would choose content-based roles as well as strategic roles

Q. If you could create a new senior role within your organisation to drive the growth of your business, what would that role be?

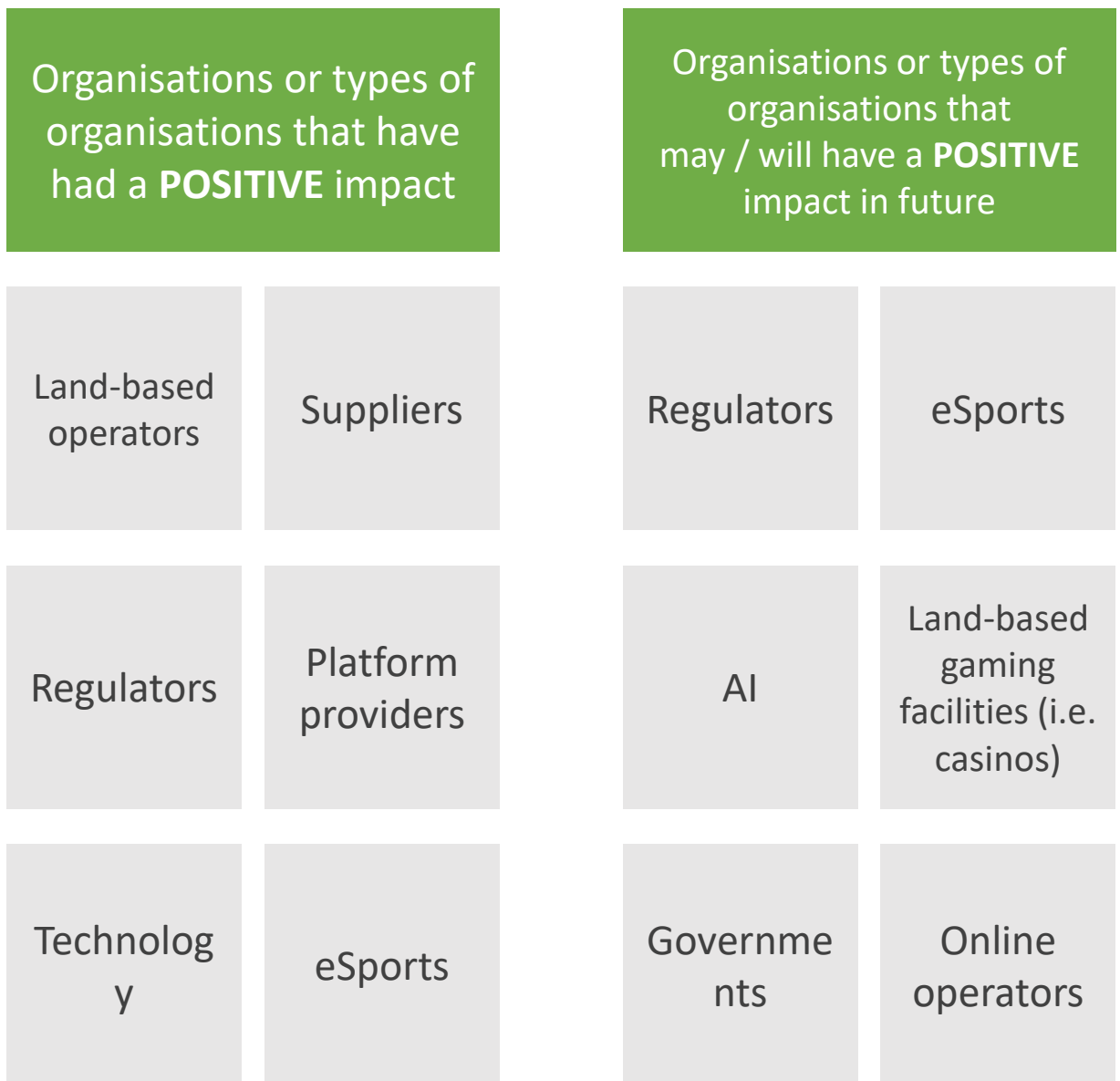
Base - total respondents: 106



No one area achieved a significant number of responses, although land-based operators / facilities were seen to have a **POSITIVE impact on businesses**

Q. Are there any specific organisations or types of company that have had a POSITIVE impact on your business – or might do in future?

Base - total respondents: 106



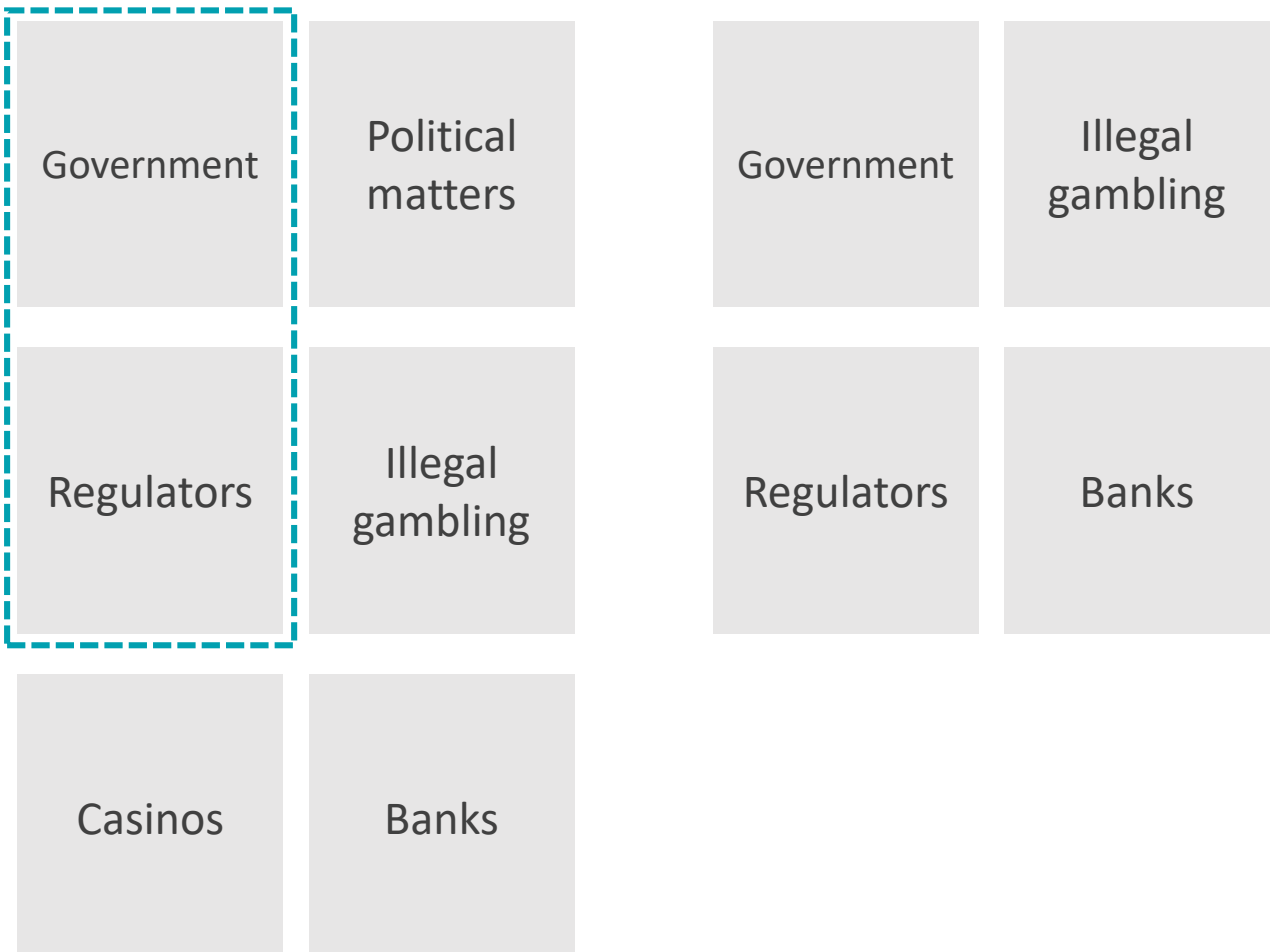
Like wave 4, Governments and regulators are regarded as having a negative impact on businesses

Q. Are there any specific organisations or types of company that have had a **NEGATIVE** impact on your business – or might do in future?

Base - total respondents: 106

Organisations or types of organisations that have had a **NEGATIVE** impact

Organisations or types of organisations that may / will have a **NEGATIVE** impact in future



As per previous waves, Bet365 is the gambling company others aspire to be like the most; while outside the industry, companies aspire to be like Amazon, Tesla and Apple

Q. What company in the gambling sector do you aspire to? / Q. What company outside of the gambling sector do you aspire to?

Base - total respondents: 106

Gambling Sector

Most likely to say:



Other companies mentioned more than once:



Non-gambling Sector

Most likely to say:

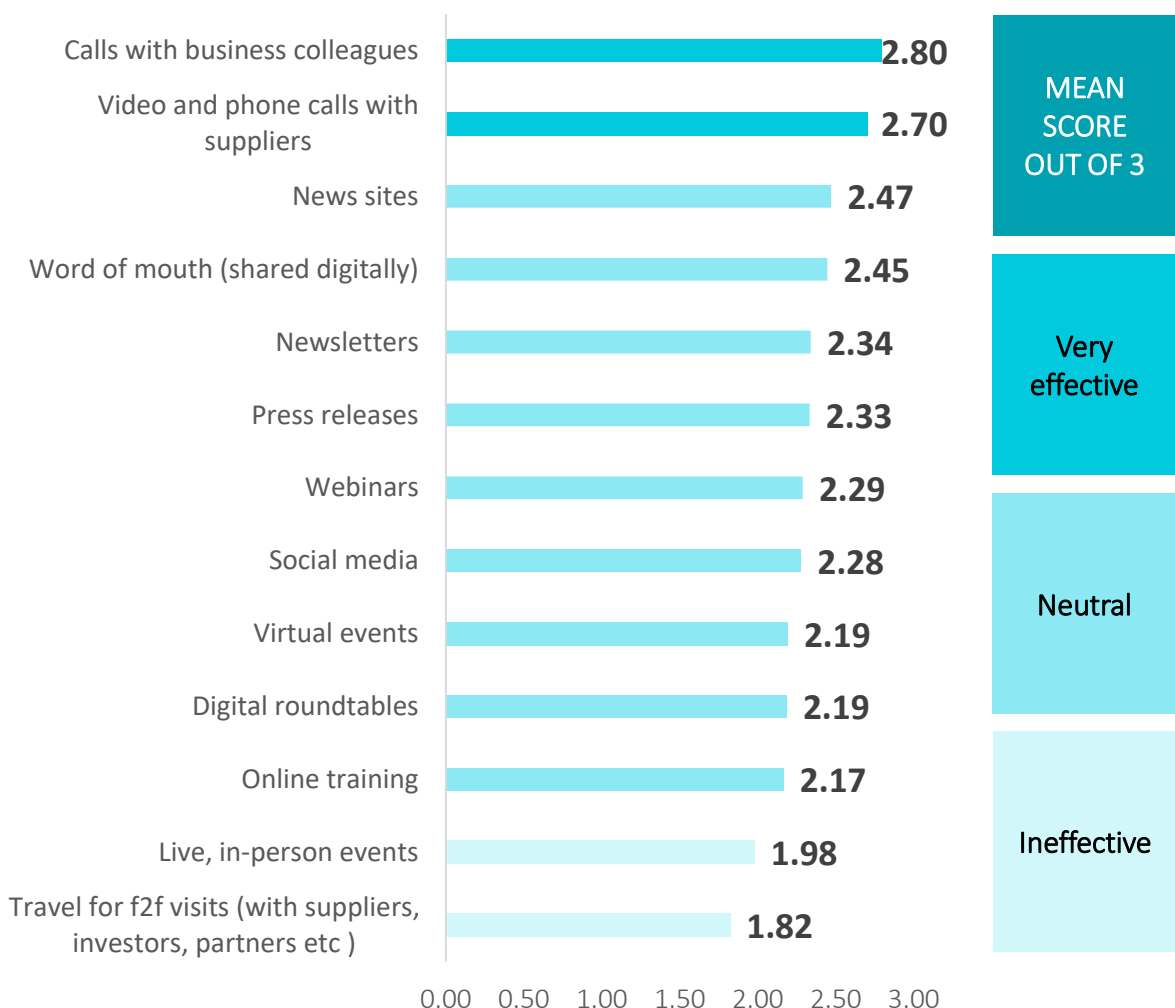


Other companies mentioned more than once:



Calls with colleagues and suppliers are the most effective ways to learn about development / new products in the industry – currently, live events and traveling are obsolete

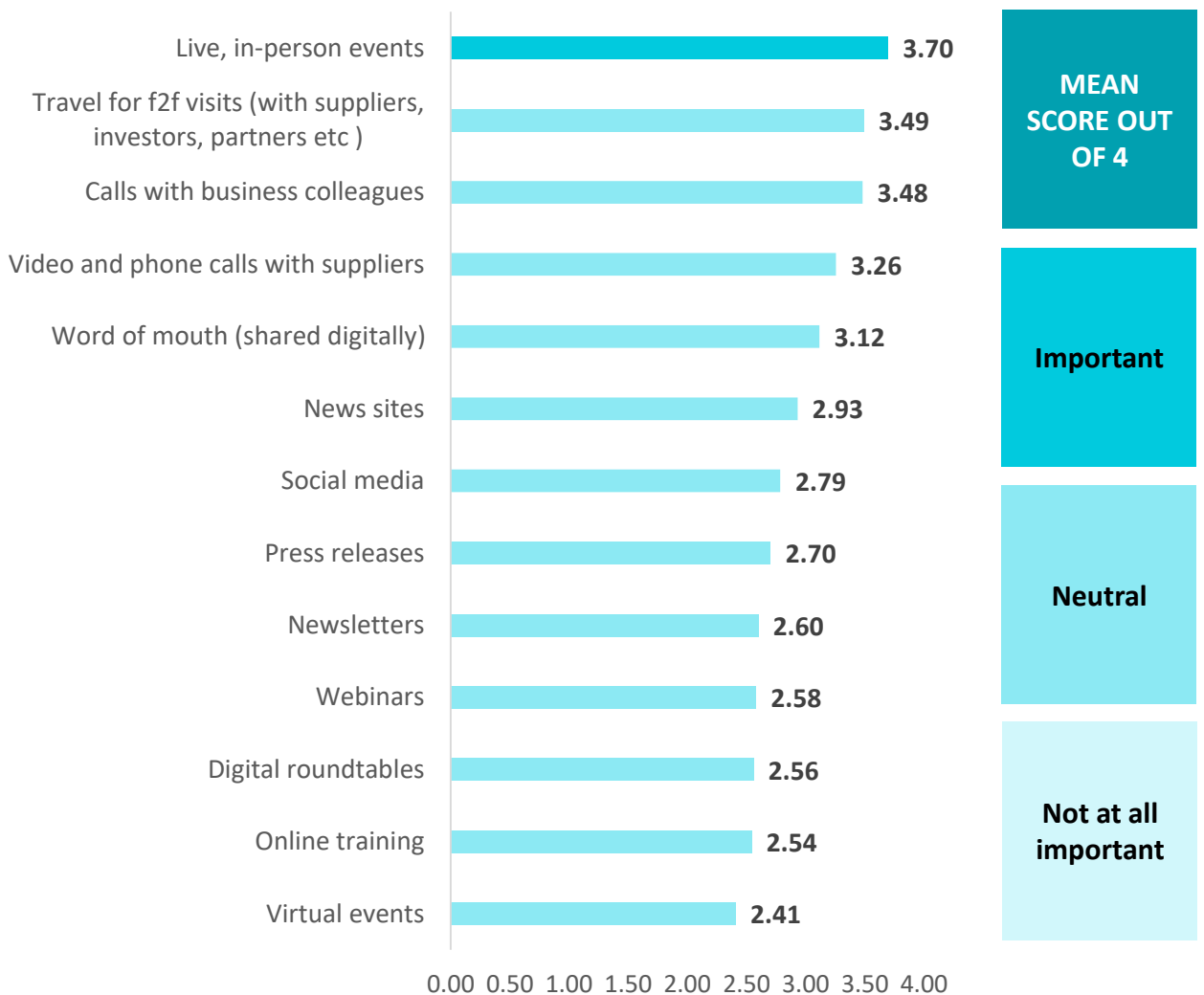
Q. Since the beginning of the pandemic, how have you been learning about new developments/new products in the industry?
 Base - total respondents: *NB. Question asked from wave 5 – no comparable data available



When life returns to normal, live events will be the most important way to keep up to date with industry developments / new products

Q. When the pandemic is over, how important will the below sources remain as a way to learn about new industry developments/new products?

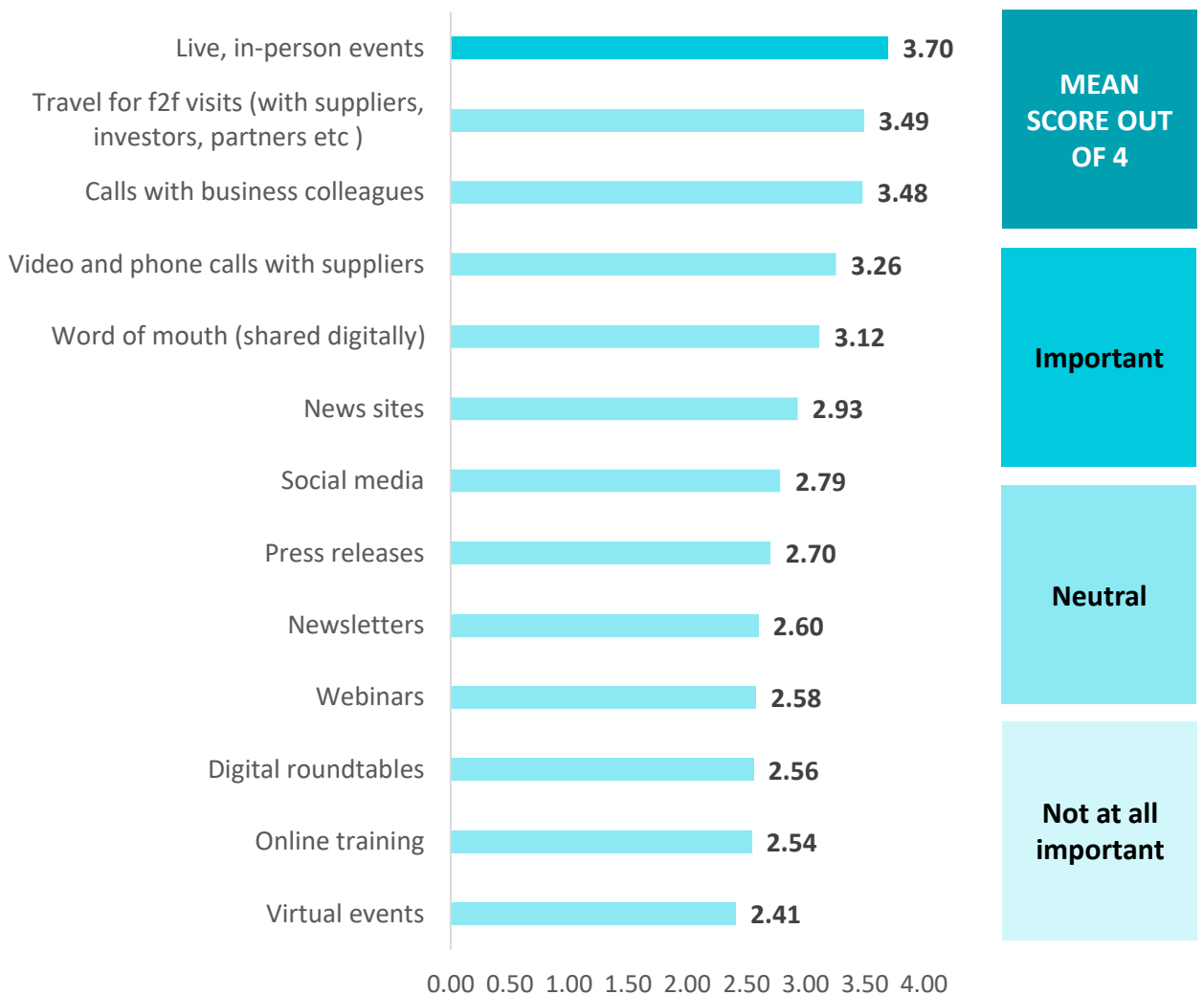
Base - total respondents: 106 *NB. Question asked from wave 5 – no comparable data available



When life returns to normal, live events will be the most important way to keep up to date with industry developments / new products

Q. When the pandemic is over, how important will the below sources remain as a way to learn about new industry developments/new products?

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Key Findings

- Compared to Wave 4 (April 2020), respondents are still questioning their confidence in the market; particularly surrounding the pandemic and how it will affect the future of Land-based gaming facilities.
- Despite this, 77% are optimistic of the opportunities available to their organisation over the next 12-month period (42% in wave 4, April 2020)
- When looking at future opportunities the online / mobile market holds the greatest opportunity as well as expanding into new markets, particularly the US, LATAM and African regions.
- Expansion into new markets has continually been an important development which can be seen over the last 3 waves – (mean scores above 4.0 out of 5 – ‘very important’ perceptions).

Key Findings

- Regulation of online gambling is also considered 'very important' (4.22 out of 5 – no data from previous waves)
- Along side online / mobile gaming AI is seen as an area worth investing in if the opportunity was available to do so
- In terms of keeping abreast of latest developments in the industry, calls with colleagues and suppliers have been core ways to meet these needs. Looking towards the future (post-pandemic) respondents are looking to replace these calls and learn of new industry developments through live / in-person events again.

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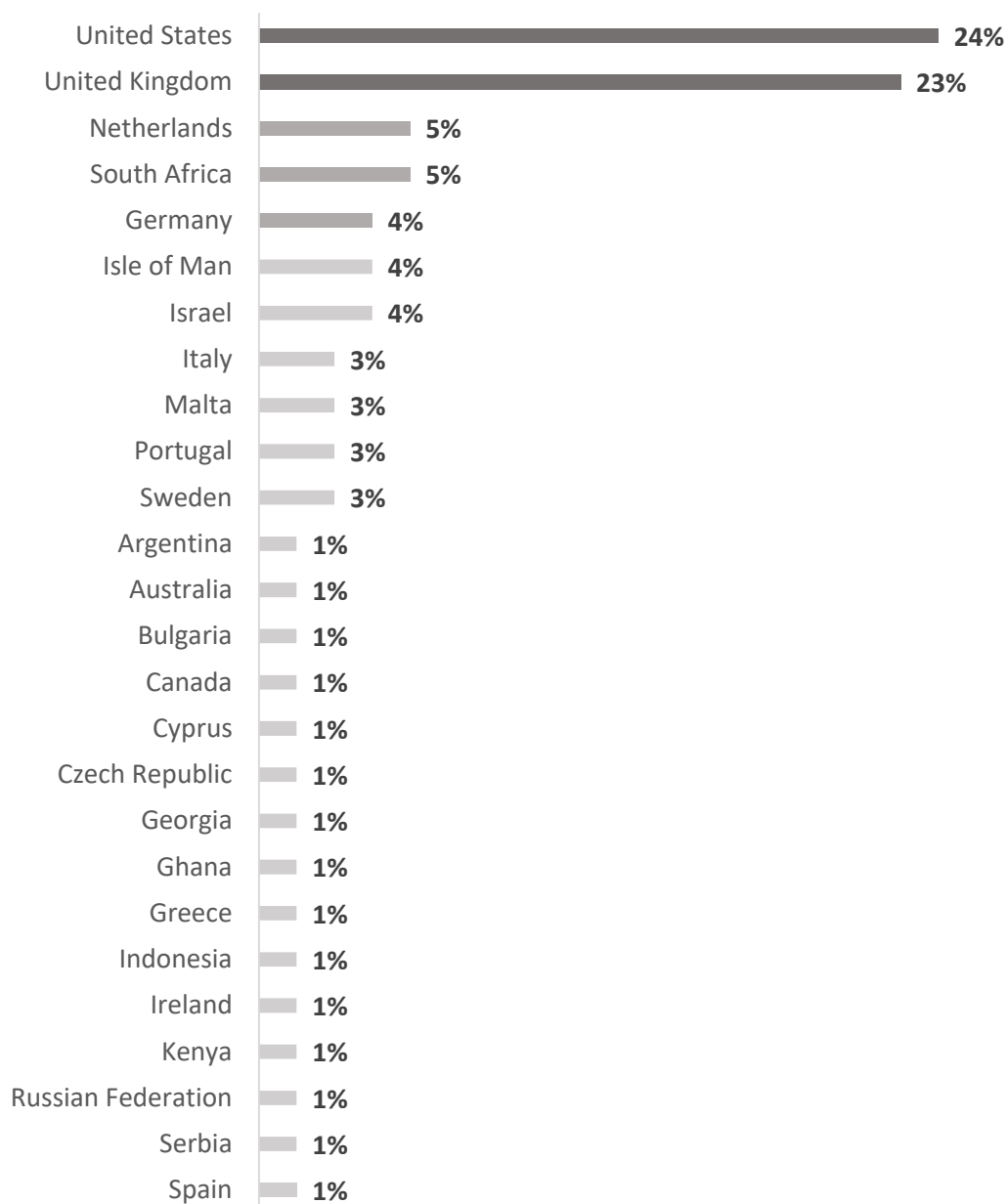
5. Respondent Profile



Approximately a quarter of those were from the US, the majority of respondents are based in Europe

Q. FROM SAMPLE: COUNTRY / Q. FROM SAMPLE: REGION

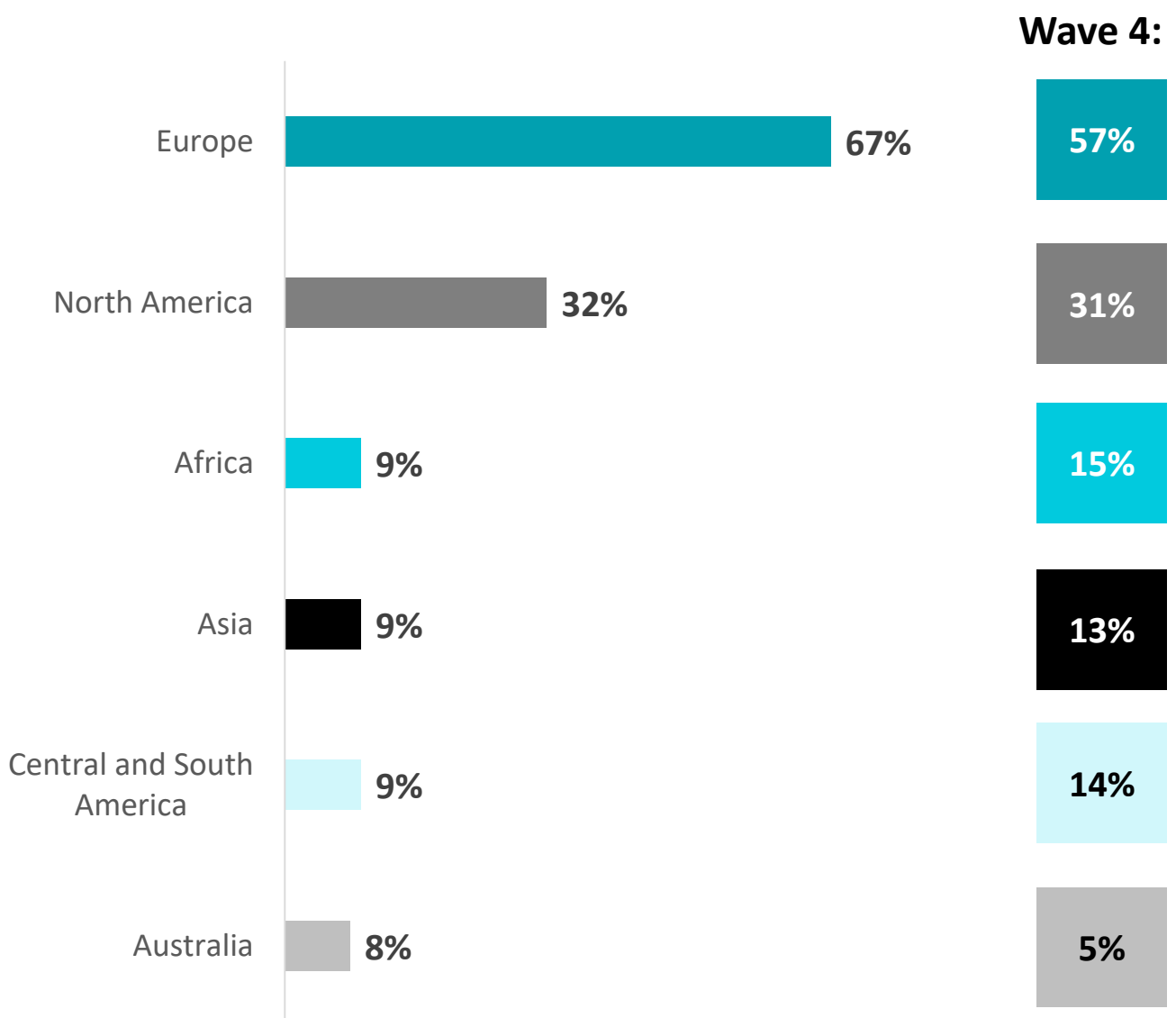
Base – those who could be matched back to the fusion database – 75



Approximately a quarter of those were from the US, the majority of respondents are based in Europe

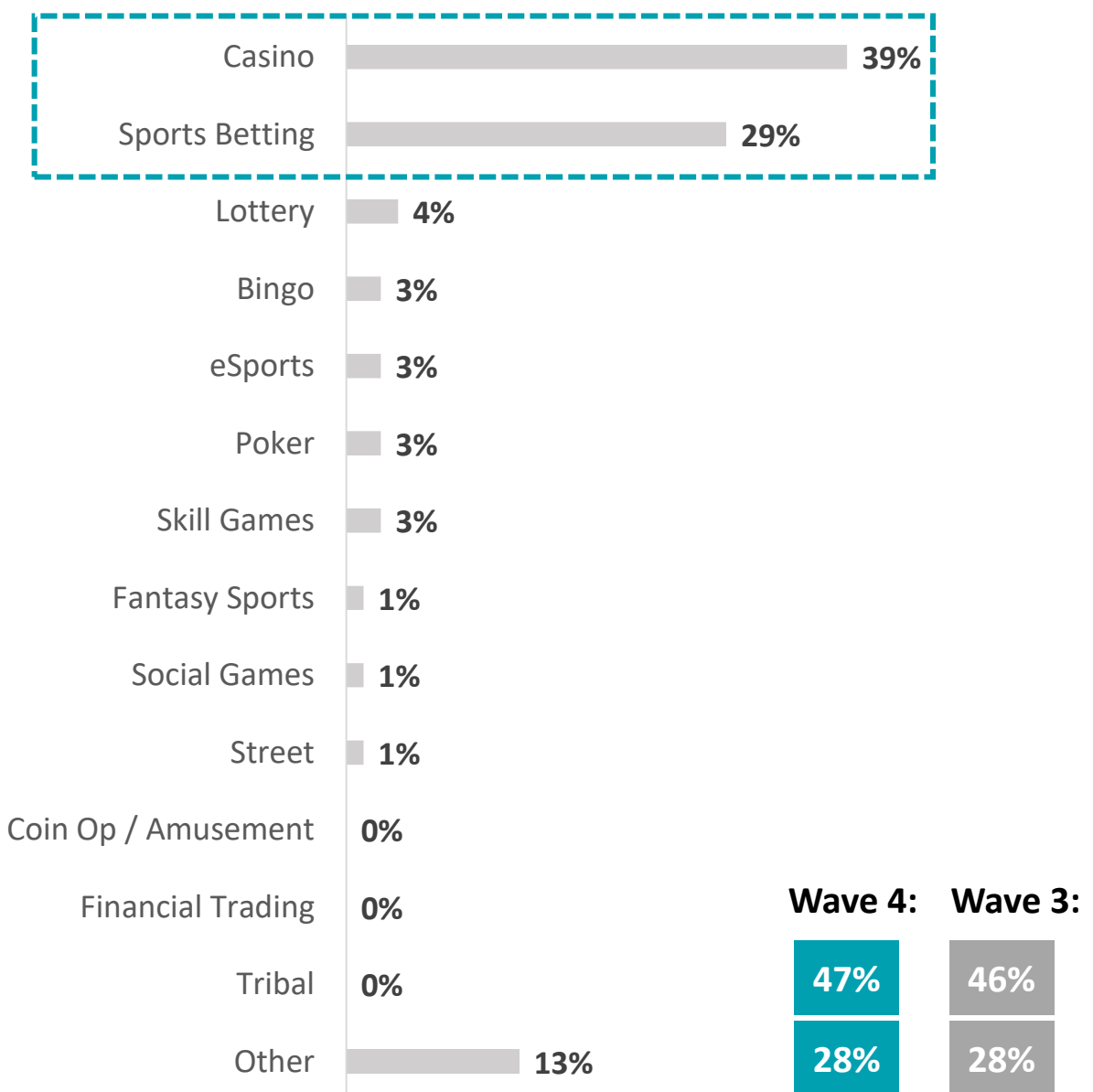
Q. FROM SAMPLE: COUNTRY / Q. FROM SAMPLE: REGION

Base – those who could be matched back to the fusion database – 75



68% of respondents are involved in either casinos or sports betting – continual theme amongst waves

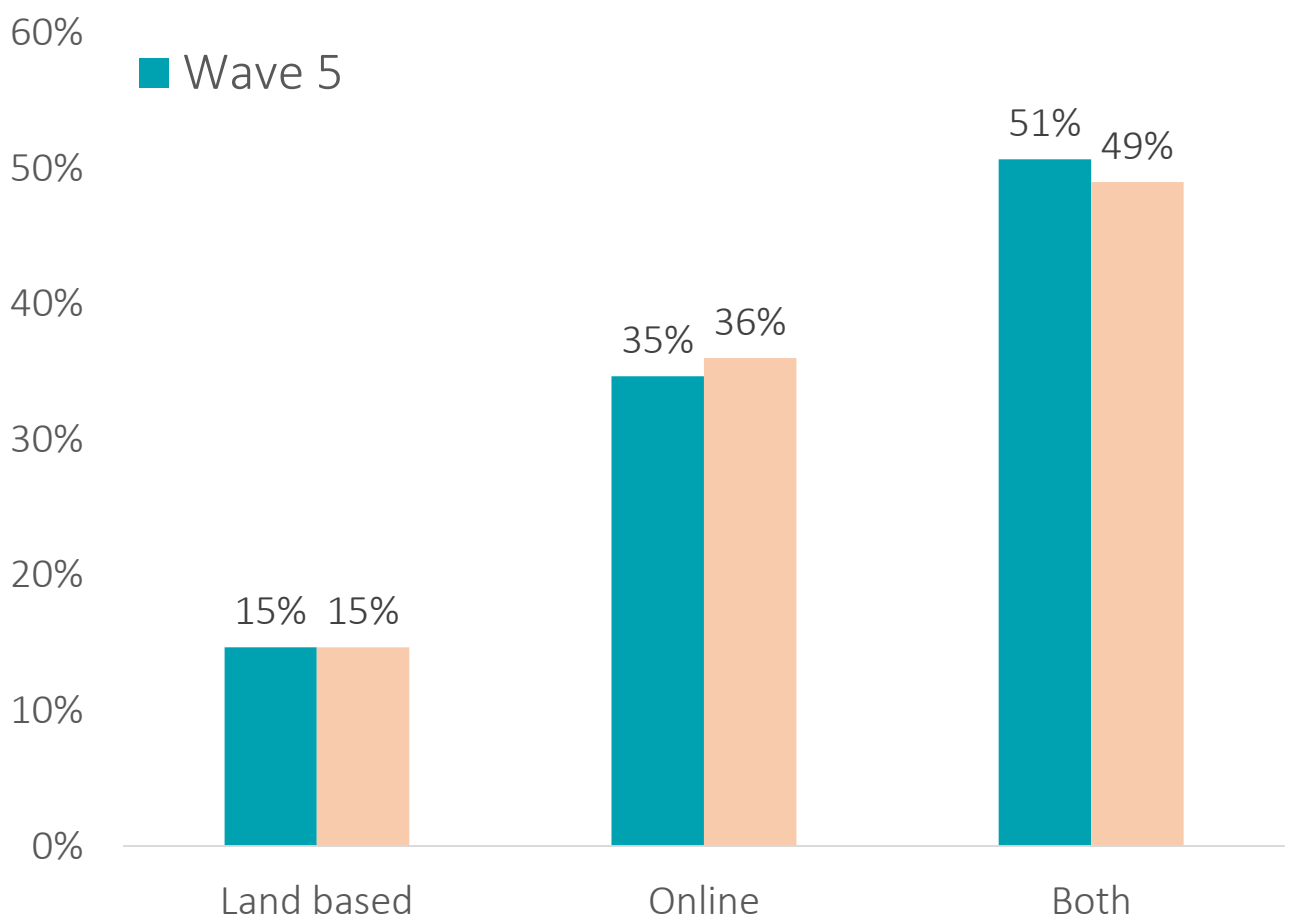
Q. FROM SAMPLE: PRIMARY GAMING TYPE
 Base – those who could be matched back to the fusion database – 75



Approximately half of respondents have a presence through both delivery channels – No significant changes in comparison to previous wave

Q. FROM SAMPLE: DELIVERY CHANNELS

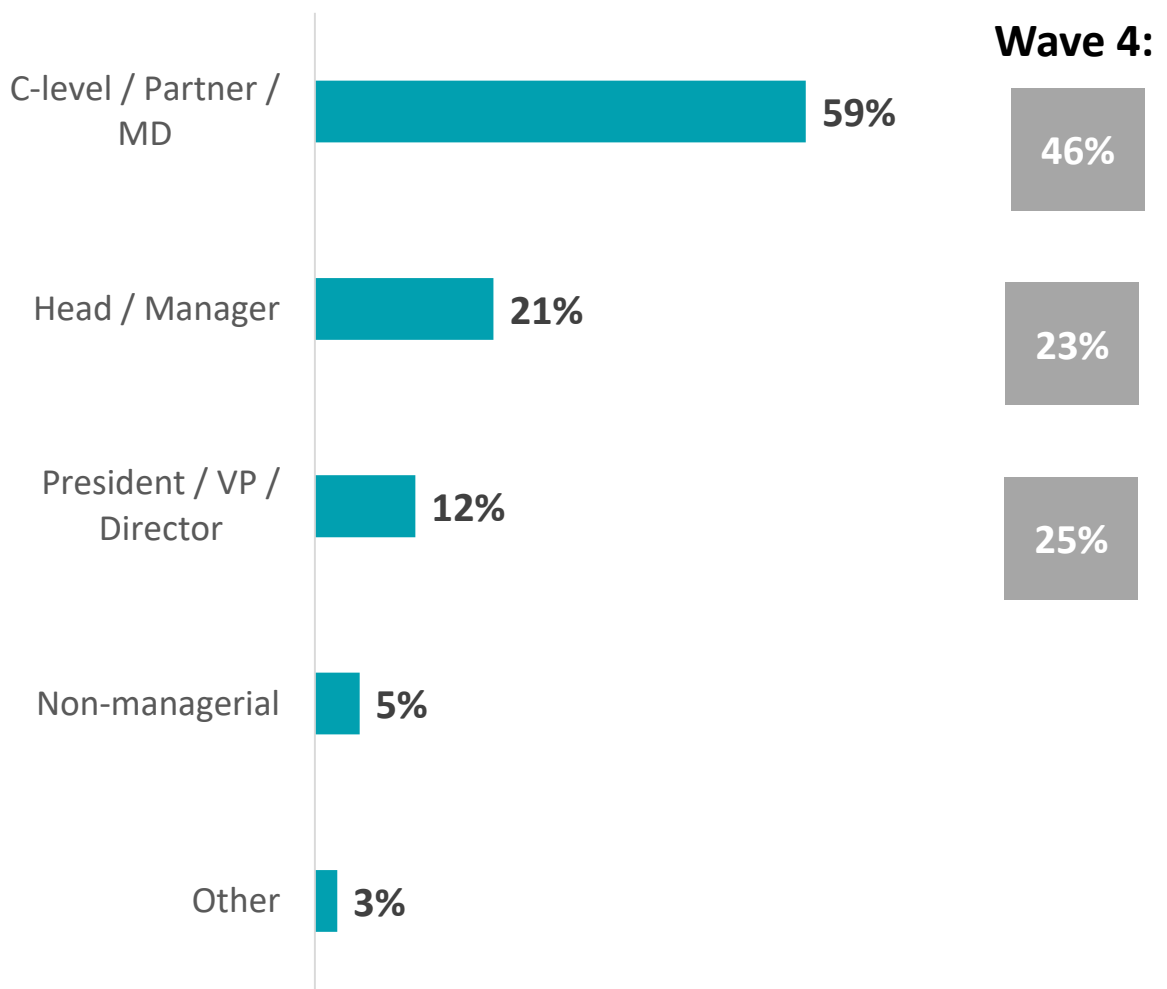
Base – those who could be matched back to the fusion database – 75



59% were 'C-Level / Partner / MD' – increase on wave 4, while 51% would describe their job function as senior management

Q. FROM SAMPLE: JOB FUNCTION / Q. FROM SAMPLE: JOB TITLE

Base – those who could be matched back to the fusion database – 75



59% were 'C-Level / Partner / MD' – increase on wave 4, while 51% would describe their job function as senior management

Q. FROM SAMPLE: JOB FUNCTION / Q. FROM SAMPLE: JOB TITLE

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