

THE PATH FORWARD FOR CASINOS IN A POST-COVID WORLD

How Younger Gamblers,
Experiences, and Safety
Concerns Will Influence
Industry Recovery

OVERVIEW

There is a lot of uncertainty throughout the gambling industry due to the COVID-19 crisis. Casinos have been forced to close their doors amidst shelter-in-place and stay-at-home orders and plans for reopening are still unclear. With situations evolving day-to-day, it's difficult to map out a future strategy. But as we look forward and prepare to support our industry's recovery, the conversation shifts to the long-term impact.

While there will undoubtedly be a lasting effect on the industry economically, we at Synergy Blue wanted to examine the indelible impact on the gamers and gamblers themselves. Do they want the same things from their casino experiences? What will drive them back to casinos? And how have their expectations changed?

Through a survey of 1,000 consumers — specifically those who gamble — conducted in late April 2020, we've uncovered the preferences and expectations that will bring patrons back to casinos, as well as how casinos can anticipate and meet those changing expectations in a post-COVID gambling landscape.

SECTION 1: CONFIDENCE IN RETURNING TO CASINOS

Over half of respondents said they plan to begin visiting casinos again once stay-at-home orders lift, and examining their preferences reveals the driving motivations behind this decision. Casino guests are not only looking for the excitement and familiarity of the experience, they're also being pulled in by familiar games like slot games and video gambling devices.

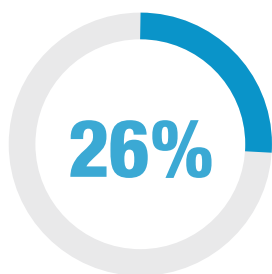
Over half of those who gamble will return to casinos

51% say they will gamble in casinos again once they reopen

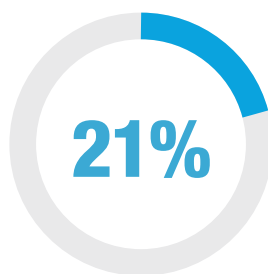
When asked about their criteria for returning:

34% of those who plan to return to casinos say they will do so once stay-at-home orders and social distancing measures have lifted

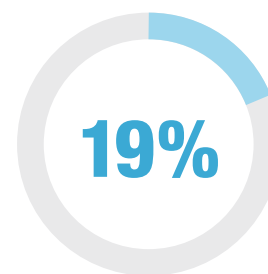
Additionally, others will do so when:



The number of Covid-19 cases drastically reduces



Stay-at-home orders are lifted (regardless of social distancing measures)



A vaccine becomes available

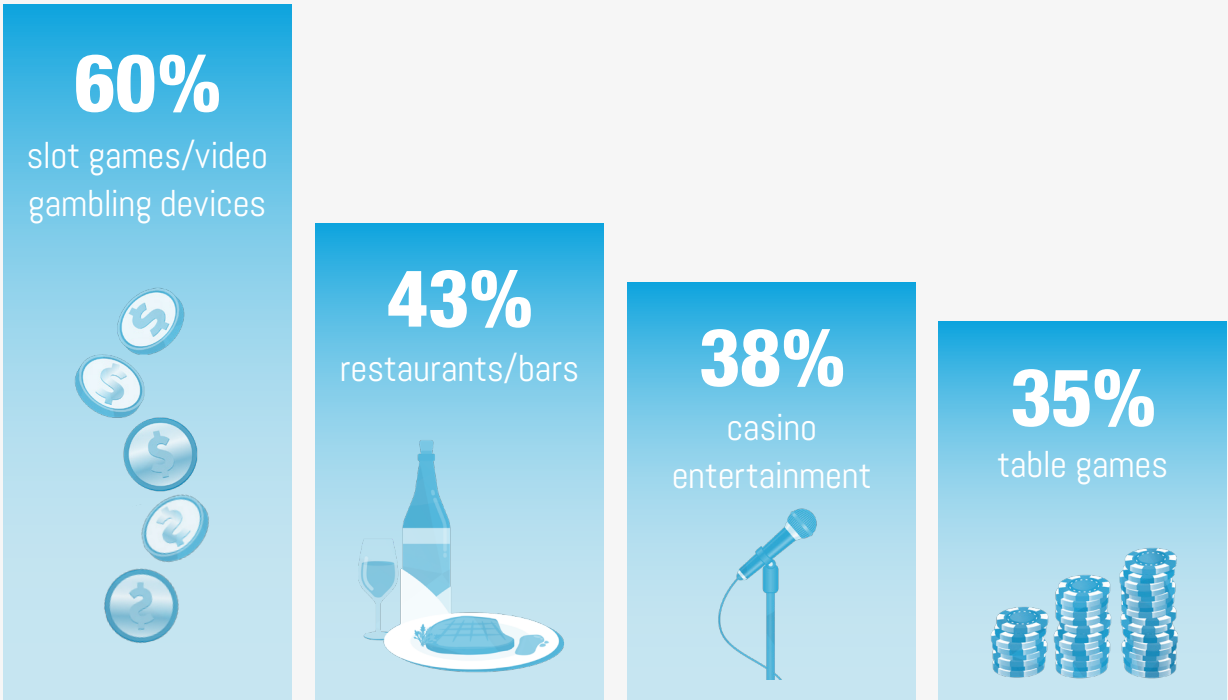
The draw of casinos in a post-pandemic landscape

Of those planning to return,

56% say it's for the excitement of the casino experience

45% also say it's because it's something they did before the pandemic and they want the familiarity of something they used to do

The parts of the casino experience most likely to draw them back include:



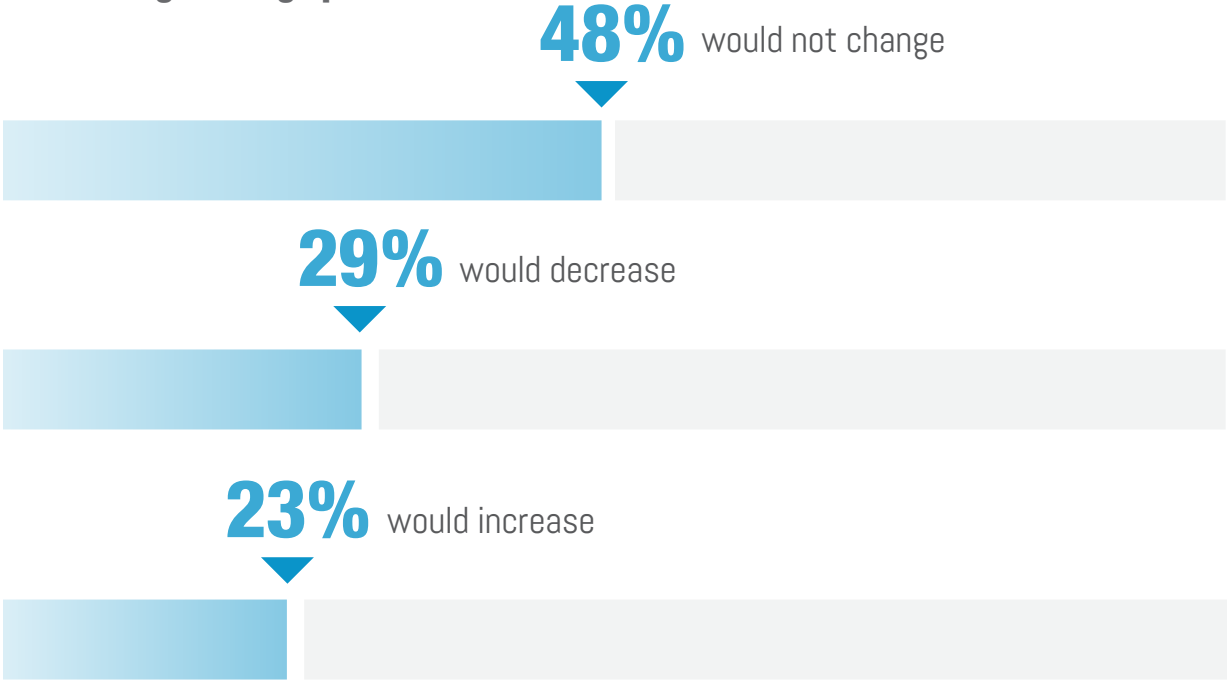
In addition, of those planning to return:

35% said they'll go back to their usual casinos

29% said rewards, discounts or specials would be the biggest draw to a casino

25% said improved health and safety standards would draw them to a casino

Those planning to return
said their gambling spend:



SECTION 2: HESITATION OVER ECONOMIC AND SAFETY CONCERNS

While those planning to return to casinos show some confidence in both the health and economic safety of doing so, others cite these as their reasons for hesitating to begin gambling in casinos again. The survey found that 34% are unsure if they will return to gambling in casinos, and 14% said they are not planning to return. When asked the reasons for their hesitation and what would motivate them to return, these respondents cited concerns over the economy and jobs, as well as the safety of returning to casinos following the pandemic.

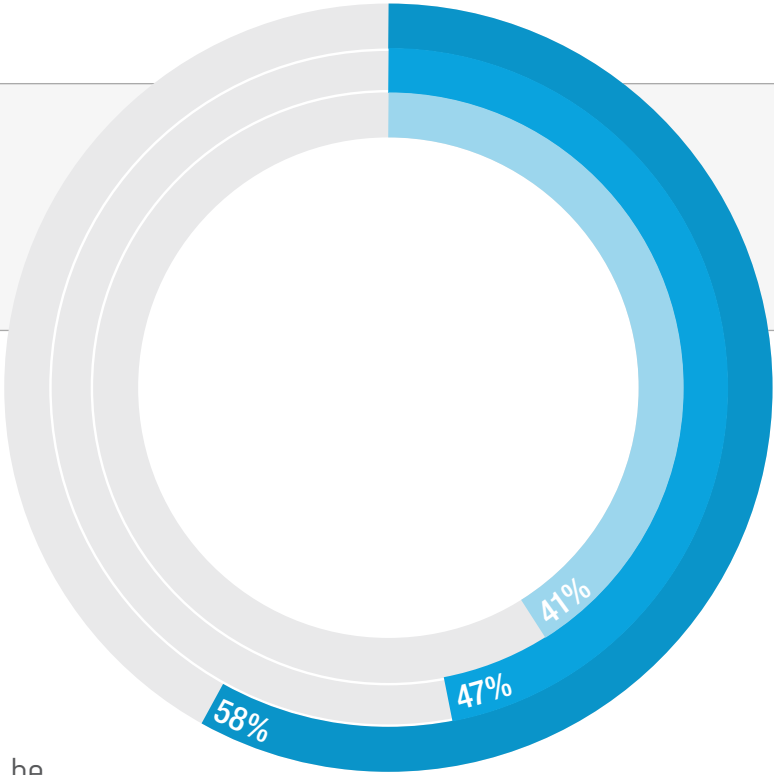
Economic and health concerns driving gambler hesitance

Those who are unsure or not planning to return to casinos cited unease about:

58% the economy

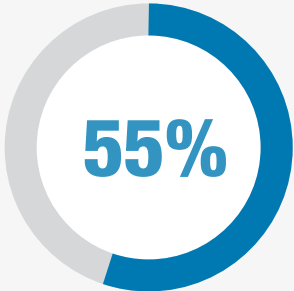
47% how sanitary the casinos and games will be

41% being around people again

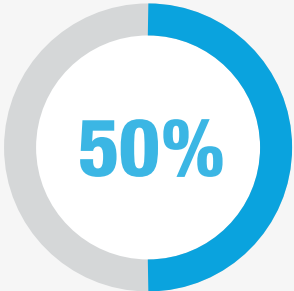


Reluctant gamblers look for confidence in economy and health recovery before returning to casinos

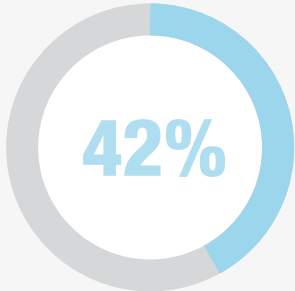
Of those who are unsure or not planning to return:



said a vaccine or drastic reduction in the number of Covid-19 cases would make them want to return



said an improved economy would make them want to return



said if casinos took extra measures to sanitize their casinos and games it would make them want to return

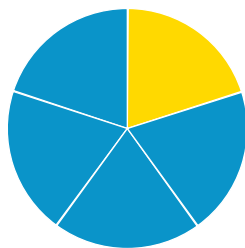
SECTION 3: A BOOST FOR ONLINE GAMBLING

As casinos were forced to close during the Covid-19 pandemic, many gamblers turned to online gambling (pay-to-play or free-to-play) games on their PC or mobile devices as a means of entertainment while sheltering at home. And while most say their preference is returning to casinos to gamble once stay-at-home orders lift, online and mobile gambling is likely to see a boost as well, with nearly all of those who said they gambled online saying they will continue to do so after the pandemic.

Online and mobile gambling to see big boost post-pandemic

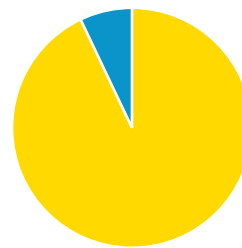
64% gambled online or played mobile games (pay-to-play/free-to-play) during the pandemic

Of those,



1 in 5

were not previously online or mobile gamblers



93%

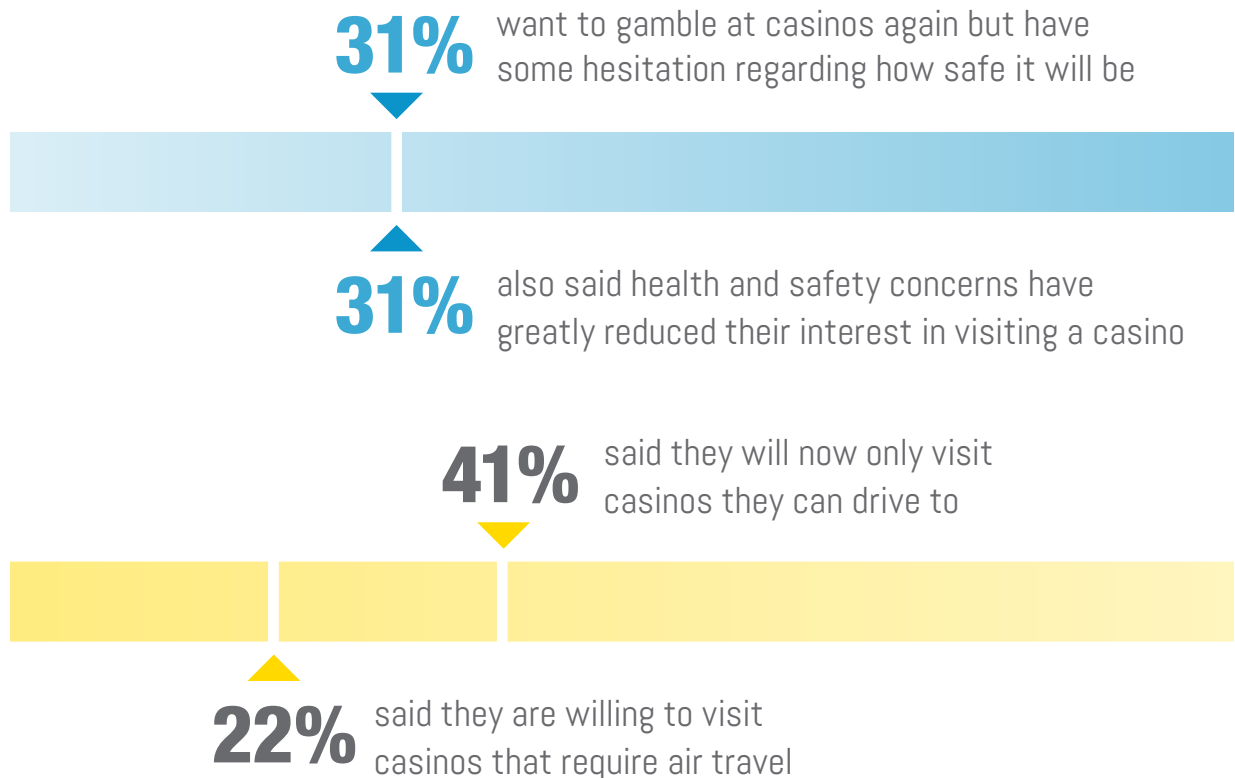
said they would continue with online or mobile gambling once stay-at-home orders have lifted

SECTION 4:

HEALTH AND SAFETY IMPROVEMENTS DRIVING THE NEW NORMAL

Gamblers who are both confident and hesitant to return to casinos share high expectations for improved health and safety measures. Respondents outlined specific safety measures they expect from casinos and, even more importantly, the majority of gamblers said they believe these measures need to be implemented permanently for the safety of patrons.

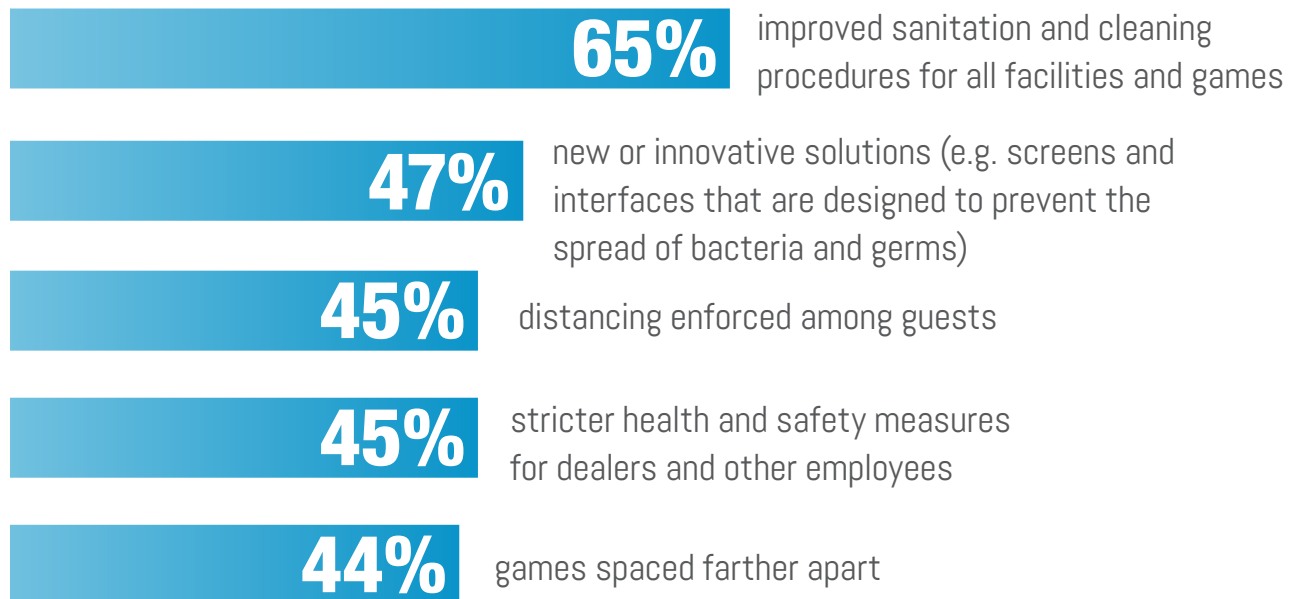
Pandemic concerns loom large over gamblers and lagging confidence in travel will affect some casinos



Permanent health and safety measures now expected from casinos guests

56% said casinos need to permanently improve their health and safety standards following the pandemic

Respondents cited the following health and safety improvements they believe are needed:



SECTION 5: YOUNGER GAMBLERS POISED TO DRIVE GROWTH

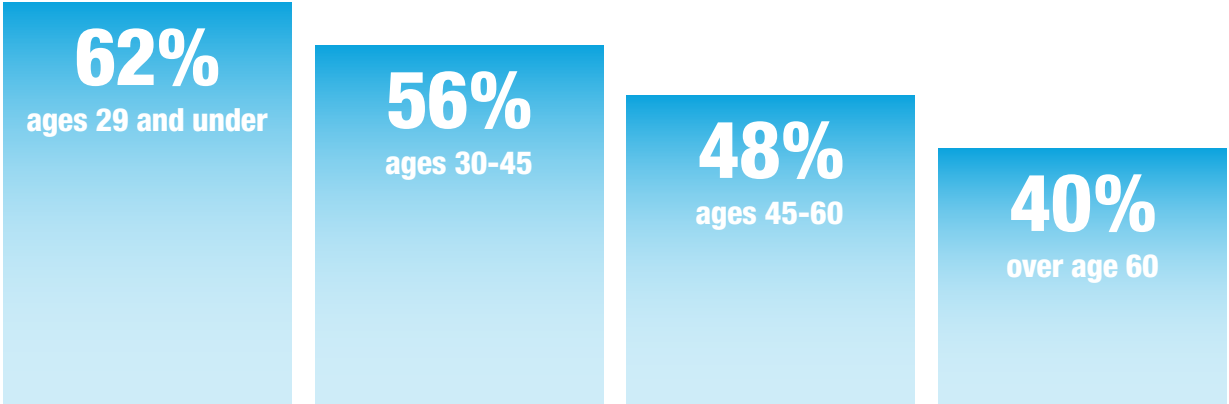
This research uncovered a dynamic that has long been on the radar of casinos, and as the world recovers from the pandemic, the casino industry will see an acceleration in both the concern and opportunity of attracting a new generation of gamblers. Older gamblers showed significantly more hesitation over the safety of returning to casinos. Gen X and younger gamblers showed the greatest confidence and interest in returning.

As younger gamblers lead the charge toward recovery for casinos, casinos should pay attention to the trends that may come with this generation of gamblers, including an interest in new types of games, as well as a growing trend toward online and mobile gambling (pay-to-play/free-to-play).

Younger gamblers the most confident in returning to casinos

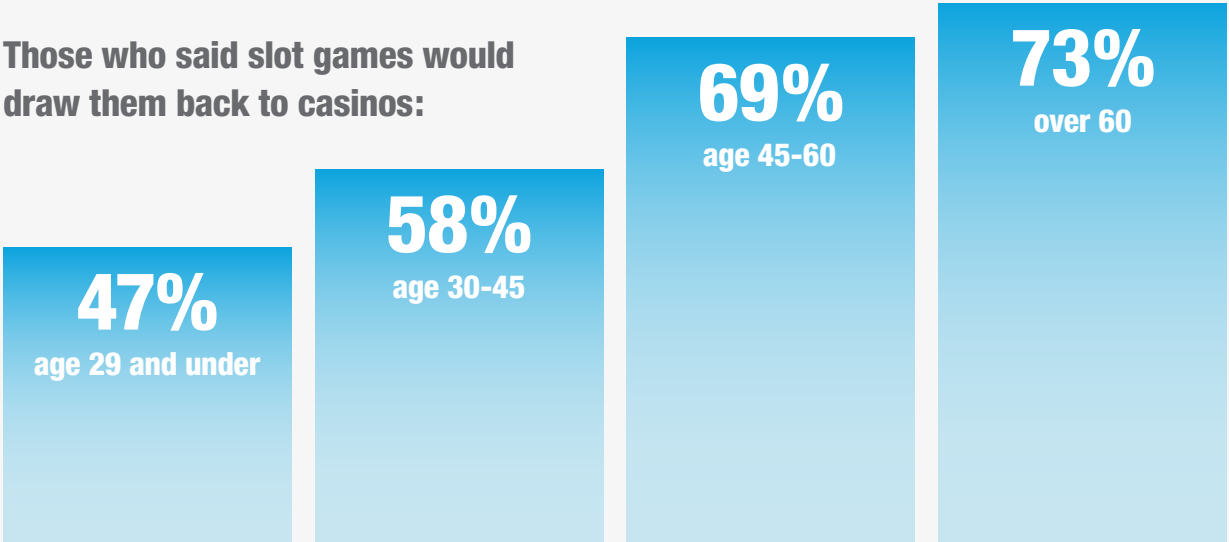
62% of younger gamblers say they'll gamble in casinos again once stay-at-home orders have lifted

Those planning to gamble in casinos once stay-at-home orders have lifted:



Younger gamblers are less drawn by traditional slot games and more interested in new types of games:

Those who said slot games would draw them back to casinos:



CONCLUSION

It's clear that a post-COVID world looks very different from what we've known before. As we look forward and prepare to support the recovery of our industry, finding a new normal that addresses consumer concerns and meets their expectations will be critical.

The data shows that gamblers are confident in returning to casinos, but only if and when they're reassured by new, heightened health and safety standards. It's evident that people miss the excitement of the in-person casino experience. In an uncertain economy, operators are going to be challenged with finding new ways of attracting players to the casino floor — an ongoing struggle that the casino industry has been working to address for some time.

With older generations showing significantly more hesitancy to return to public places amidst higher concerns about personal health and safety, casinos are once again challenged with attracting new and younger demographics that they haven't previously been able to reach. Poised as the potential main drivers of industry recovery going forward, these younger generations have very different preferences than their predecessors. Where once traditional slots were the main draw of casino gaming, the data hints that new types of games and experiences may become the most sought after attractions.

METHODOLOGY

Synergy Blue surveyed over 1,000 gamblers in late April 2020. This survey was completed online and responses were random, voluntary and anonymous.

About Synergy Blue

Synergy Blue is the leading provider of entertainment gaming solutions, and is currently bringing a diverse library of arcade-style, skill-influenced games (or interactive electronic gaming machines), platforms, and applications to the casino market. The company's robust HAWG® (Hybrid Arcade Wager-based Gaming) platform blends regulatory approved chance and skill-influenced gambling with the uninterrupted entertainment of arcade-style game play. Designed for an emerging class of players, Synergy Blue's technology provides casino operators with a new generation of entertainment and games that are certified and backed by industry-leading patents. Based in Las Vegas, Nevada, the company has products and applications placed in six countries.

www.SynergyBlue.us

