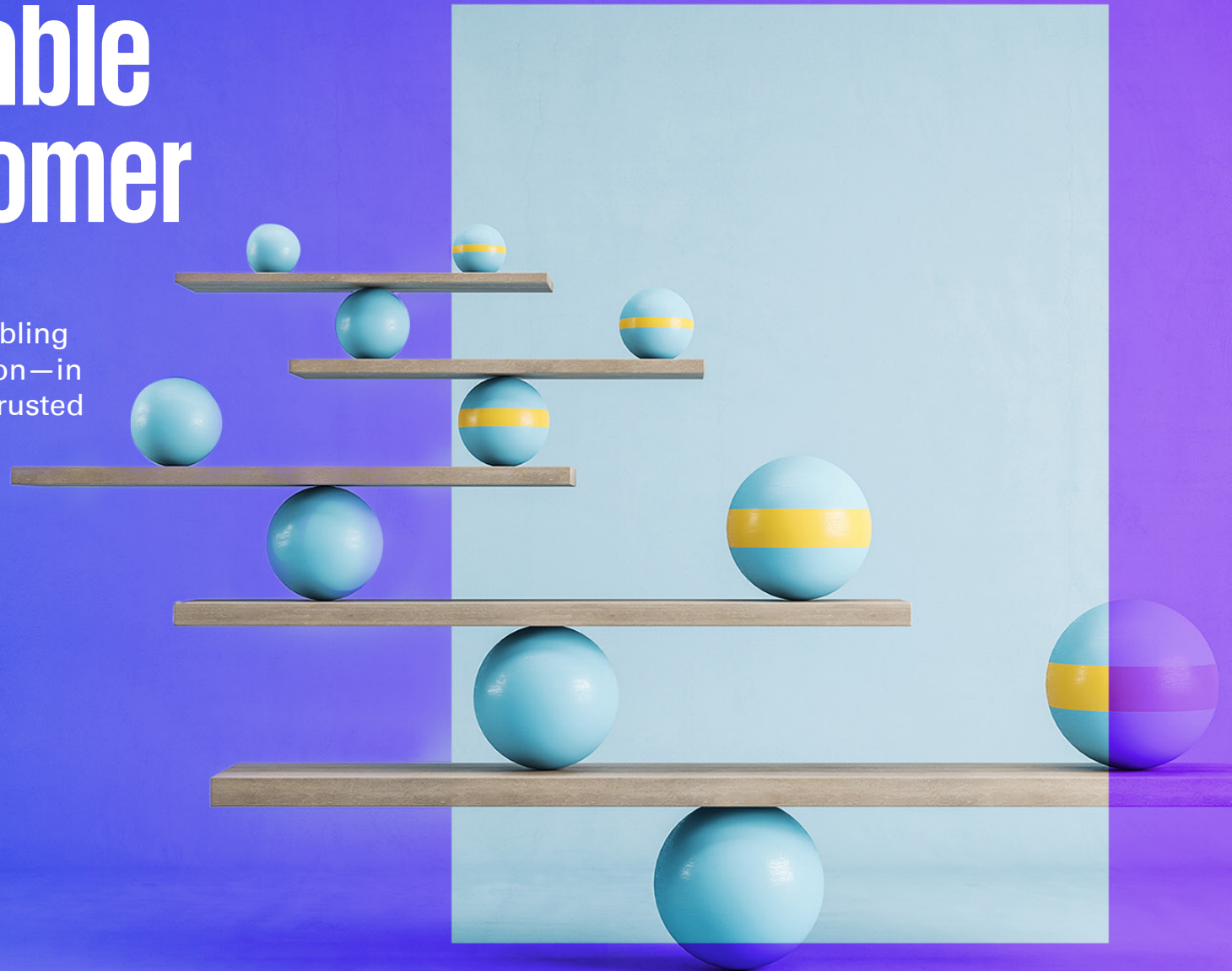




# The sustainable gaming customer

Casino, sports betting, and online gambling operators that offer value and protection—in addition to fun—can build long-term, trusted customer relationships



# Foreword

**“You can shear a sheep many times, but you can skin him only once.”**

Poker legend Amarillo Slim was known to quote this proverb quite often, and it’s an apt one for today’s gaming industry. At the core of the proverb is the concept the gaming ecosystem needs to keep front of mind: sustainability.

In 2022, KPMG surveyed online and in-person gaming customers and found that half factored environmental, social, and governance (ESG) into their choice of gaming operator, both for online and land-based gaming. Customer attention to corporate values such as environmental sustainability and equity may ebb and flow, but is likely here to stay, whether or not they’re deemed “ESG.”

In our most recent survey of US and UK gaming customers, we looked at sustainability in a different way: How do gaming operators cultivate long-term customer relationships that lead to sustained business success?

This hinges on how well gaming operators offer customers great entertainment in return for their hard-earned dollars, build and maintain their trust, and protect them through responsible gaming initiatives.

Complicating matters is that much of the customer experience in gaming is driven by regulation, which itself continually changes. Regulations reflect differences in jurisdictions even as gaming becomes an increasingly global sector, presenting another challenge to operators.

Our research indicates that the right gaming products, coupled with the right player protections, can help preserve business for individual operators as well as for the industry as a whole. If operators get it wrong, reactive regulation can quickly follow.

The industry is at an inflection point, spurred by the rapid expansion of online sports betting in the United States and regulatory tensions globally. Now is the time to take action to help the industry thrive for years to come—to become truly “sustainable.”

Succeeding at this requires all participants to mobilize, from operators to suppliers to regulators, along with others who are becoming integrally involved in the industry, such as sports leagues, sports teams, media companies, and others.

This report includes views from customers themselves to provide a look at what the industry is getting right and where there is room for improvement. Gaming operators can contribute to the industry’s longevity while providing a better experience that ticks the boxes customers need and want: trust, enjoyment, value, and protection.



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# Key insights



## Trust

### Customers generally trust gambling operators.

That level of trust has held relatively steady since last year. However, tolerance for gambling advertising is falling. ESG principles also don't matter as much to gamblers today as they did in 2022 but customers still are more likely to consider ESG in choosing where they gamble than in making other purchases.

**At least half** of gamblers trust operators to treat them fairly, make honest disclosures, provide prompt withdrawals and payouts, and protect their information.

**53%** think gambling advertising is acceptable down from **67%** of gamblers in 2022.

**32%** factor ESG into where they place bets down from **50%** last year in 2022.



## Value

### Gaming operators can test personalized offerings based on return to player (RTP) and other preferences.

Younger customers like larger prizes. US gamblers respond more to sign-up offers than those in the UK. Understanding nuances like these between different markets and generations helps operators better tailor games and other offerings to appeal to individual gaming customers.

**60%** of US gamblers prioritize larger jackpots compared to **44%** of UK gamblers.

**62%** of US gamblers are influenced by bonuses versus **46%** of UK gamblers.



## Enjoyment

### Gamblers seek out exciting features for online casino and sports betting.

Speed, multiple opportunities to place in-play bets, and other platform offerings attract gamblers. Gaming customers say that operator or regulator limits on those features would make them turn away, highlighting the balance between customer fun and protection.

**> 50%** of gamblers select online games based on speed of play. **1 in 5** sports gamblers prefers in-play betting over betting on final outcomes, more so among US gamblers.

**48%** of gamblers would spend or gamble less under spending limits. **1 in 4** would seek alternative forms of gambling.



## Protection

### Gamblers are aware of the player protection tools available but adoption remains relatively low.

The majority of gamblers know about player protections offered by their favorite operators, including deposit limits, timeouts, self-exclusions, and product exclusions. Far fewer are using them, an area for improvement to support the longevity of the gaming industry.

**90%** of gamblers are aware of player protections, up from **82%** in 2022.

**38%** have never tried using the tools.

# Four principles for treating customers sustainably

Customers represent gaming companies' most valuable assets. They deserve attention and protection in addition to wanting a great experience. If gaming operators want to treat customers sustainably, here are the four tenets they should adopt.







## 01 Trust

Gamblers generally believe gaming operators to be honest, fair, and reliable, and that trust needs to be protected at all costs.

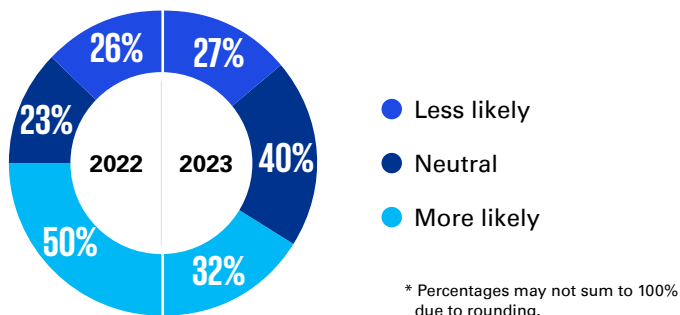
### Do gamblers really care about ESG?

A healthy segment of customers say they want to play with gaming operators that uphold strong ESG values, and ESG factors more into spending with a gaming operator than it does making a nongambling purchase.

However, gamblers are more neutral on ESG than last year, with the percentage of gamblers who consider ESG in choosing where to play dropping from 50 to 32 percent. A set of external factors is likely responsible for gamblers' more blasé attitude toward ESG.

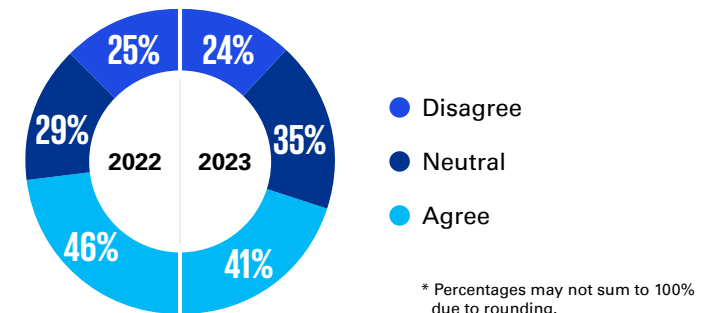
- **Economic environment.** In the last year, as businesses stayed on high alert for potential economic downturn, chief executives pushed ESG initiatives down the priority list. In 2022, more than half of US CEOs surveyed were looking to pause or reconsider their organization's ESG efforts in light of economic conditions. However, in 2023, corporate leaders surveyed are expressing more interest in using ESG as a differentiator, with 55 percent of CEOs saying they plan to scale up ESG efforts despite potential economic downturn.<sup>i</sup>

### When deciding where to gamble (company and/or platform), how likely are you to consider ESG factors?



- **Customer priorities and beliefs.** Relatedly, customers are generally more value and cost conscious if they perceive a weaker economic environment. More Americans believe it's important for companies to focus on their own customer needs for good service and high-quality products than to focus on improving ESG performance, 45 percent compared to 28 percent, respectively.<sup>ii</sup> With the UK's consumer regulator investigating a number of companies for so-called "greenwashing" claims, skepticism may be the larger influence on UK gamblers. Fewer than one in four UK consumers take corporate ESG claims at face value.<sup>iii</sup>
- **ESG pullback?** The majority of US CEOs surveyed say their companies have embedded ESG principles into the business as a means of value creation — even if they don't always use the term "ESG." And more than half expect to see significant returns from their investments within five years. Still, 29 percent have concerns about political backlash around ESG initiatives.<sup>iv</sup> Many are responding by changing how and how much they discuss their ESG strategies.<sup>v</sup>

### ESG factors are more important when I consider spending money with a gambling operator than when I consider making a purchase from any other company (e.g., food, clothing, automobiles, etc.).



## Customer trust in gaming operators has been steady.

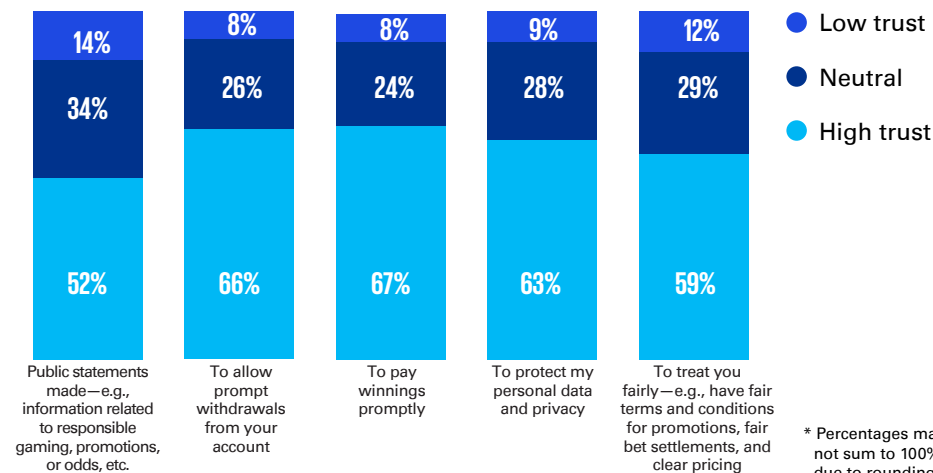
As we heard from gamblers in last year's survey, ESG in gaming largely centers on the ethical behavior within the "G," governance. In other words, how much trust do customers have in a casino or online gaming operator, or, at the very least, do they have no concerns?

In great part, customers trust gaming operators to treat them fairly, make honest disclosures, provide prompt withdrawals and payouts, and protect their information. That's relatively on par with what survey respondents said in 2022.

While the spotlight has dimmed somewhat on ESG as a topic in and of itself, gaming customers still want to know that operators have a set of principles that governs how they're treated.

Customer communications should support the operator's reputation for ethical behavior; tying it back to ESG is secondary. Operators should also take note that the younger the customer, the less trusting they tend to be across all measures in our survey, and outreach to this demographic may need tailoring to their concerns.

## For each of the following, to what extent do you trust gambling this operators?\*



## Customers' changing views on gambling advertising are a warning sign.

Gaming customers are less accepting of operator advertising practices than they were a year ago, a finding operators should use to calibrate their strategy to reach customers without annoying or alienating them.

As noted in our 2022 survey, US gamblers are generally more accepting of advertising than those in the UK. US gamblers think it's more acceptable to advertise and they're more comfortable with the volume and tone and message of gambling advertising. In the UK, gambling sponsorship has been such a hot topic media coverage may have influenced perception.

In the US, customers have been at the receiving end of a gambling advertising blitz now that gaming restrictions have eased in several jurisdictions. This could in part explain how ad volume is less acceptable now than it was in 2022, 63 percent compared to 74 percent.

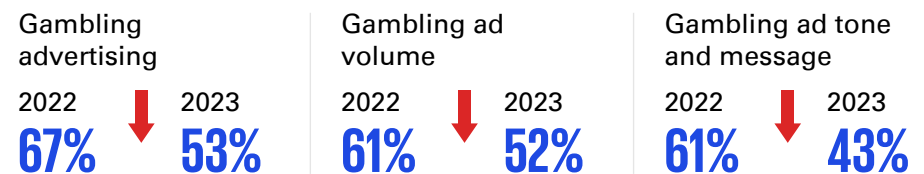
## Gambling advertising is generally more accepted in the United States.

Gamblers who believe the following is acceptable or very acceptable:



## However, the level of acceptance for gambling advertising is falling overall.

Total gamblers who believe the following is acceptable or very acceptable:





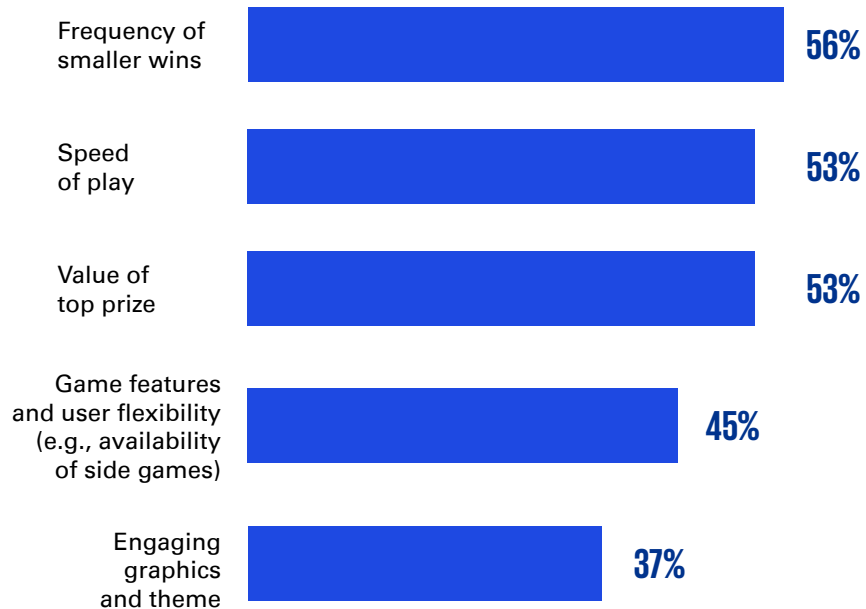
## 02 Enjoyment

Exciting features built into in-person and online casino gaming and sports betting are a customer draw, win or lose.

### More than half of gamblers select online games based on speed of play.

US gamblers were more likely to prioritize the speed of play—or how quickly they can place bets after completing the last game—59 percent compared to 44 percent of UK gamblers. This may be reflective of regulation—with minimum speed of play regulations already applying in the UK for slot products.

#### Importance of features when selecting an online casino game



\* Percentages may not sum to 100% due to rounding.

# Percentages show combined *important and very important*.

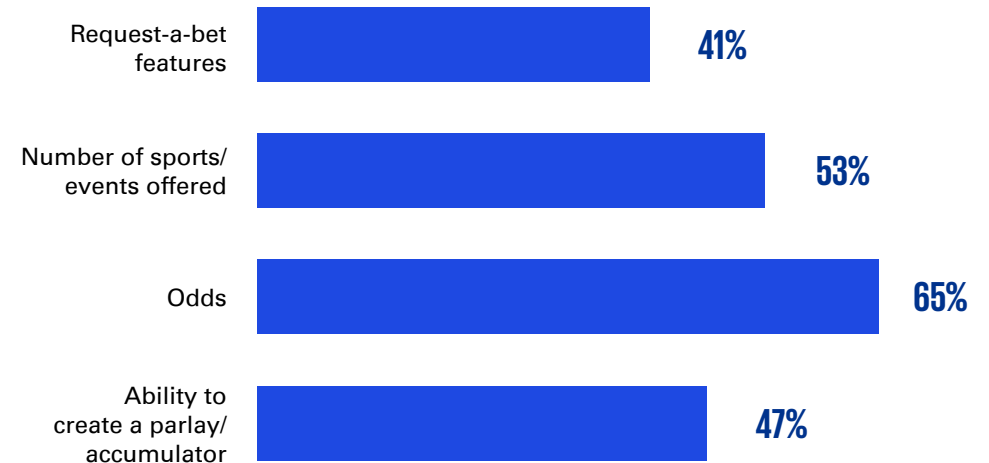
### Sports gamblers seek the added excitement of betting features.

Request-a-bet features and parlay/accumulator creation capabilities are important to more than half of gamblers betting on sports, with minor differences across jurisdictions.

In-play betting during a match (also known as in-game or live betting) is still less popular overall than wagering on the final outcome. However, they are seemingly more popular among US gamblers, perhaps given the popularity of sports with more in-game actions such as football and baseball compared to soccer matches or horse racing that are more popular in the UK.

Meanwhile, operators are starting to explore customer-facing use cases for generative artificial intelligence (AI). For example, customers could use the technology's high-speed language processing capabilities to quickly research odds and consider different betting options for an enhanced experience.

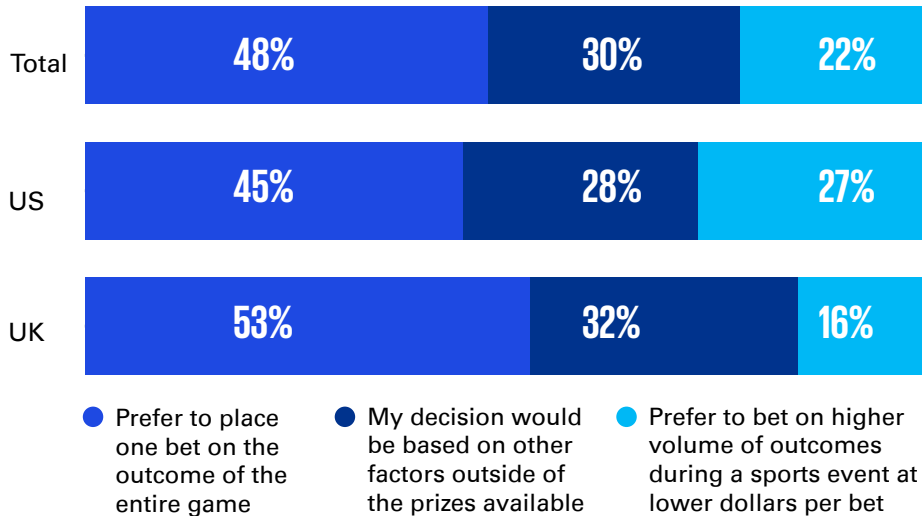
#### Importance of features when betting on sports



\* Percentages may not sum to 100% due to rounding.

# Percentages show combined *important and very important*.

## In-play versus outcome betting preferences among sports gamblers



\* Percentages may not sum to 100% due to rounding.

## There's a difficult balance between customer enjoyment and necessary regulation.

History indicates prohibition doesn't work perfectly but rather drives many people to other sources where they are potentially less safe.

Spending limits are under consideration in various jurisdictions, and while some customers told us they are likely to just gamble less if regulators put those limits in place, one in four would look for alternative forms of gambling—including one in three US gamblers.

Meanwhile, speed of play for slots products is already restricted in the UK and those restrictions are being considered for other products. The UK Gambling Commission reported that the cap on spin speed for slots has lowered play intensity without increasing staking activity or impacting player enjoyment,<sup>vi</sup> although we note the evaluation was limited in controlling for potential confounding factors. Our survey indicates that further restrictions on speed of play would influence one in three UK gamblers to play less; in the US, 40 percent would react by playing less.

## A savvy gambler may be a safer one.

Regulation doesn't have to be the only means of protection. Researchers applied the positive play scale (PPS)—defined as responsible gaming attitudes and behaviors—to wagering behaviors and found that lower levels of gambling literacy predicted betting on generally riskier forms of gambling<sup>vii</sup> Other research has determined that certain types of gaming products (particularly electronic) and practices create greater risk that an individual will develop problematic behavior.<sup>viii</sup>

Operators can always do more to help educate the gaming public so that when they choose higher-margin products, they have a better understanding of the risk-reward balance. While many operators will include how-to-play guides and educational material, the content is often dense, not necessarily intuitive, or hard to find. Innovation in this area could carry benefits.

### Lower gambling literacy/PPS

### Higher gambling literacy/PPS predicted

Parlays and player props

Moneylines

In-game betting

Pregame betting

Online only, or online and in person

Casino only

Source: Alexander J. Connolly and Joshua B. Grubbs, "Exploring the Differences in Positive Play Among Various Sports Wagering Behaviors," 2023





### 03 Value

Understanding individual habits and desires helps tailor products and promotions to attract customers today. Balancing profits with prizes ensures those customers can return tomorrow.

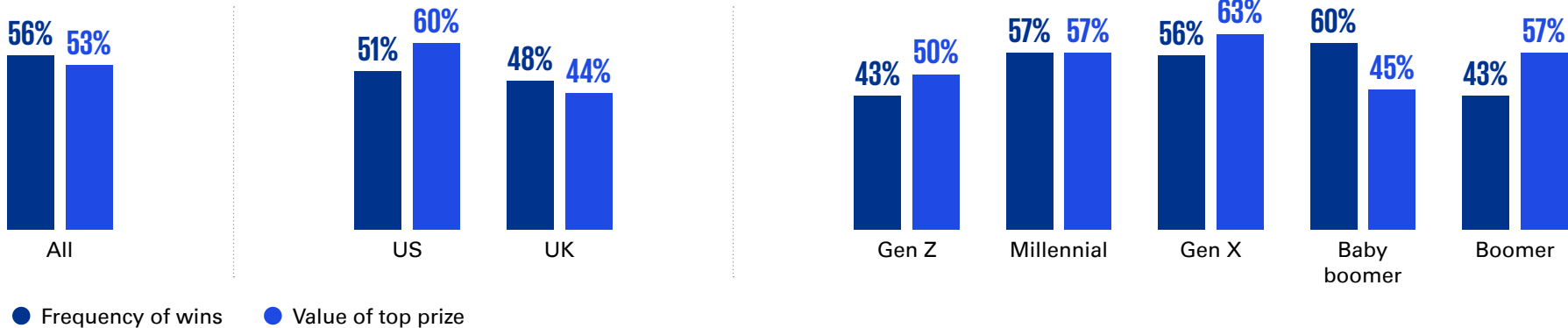
#### Certain online gamblers prioritize large jackpots over smaller, more frequent wins.

When we surveyed gamblers for their preferences in selecting online casino games, we found subsets of online gamblers willing to sacrifice return to player for the "big prize."

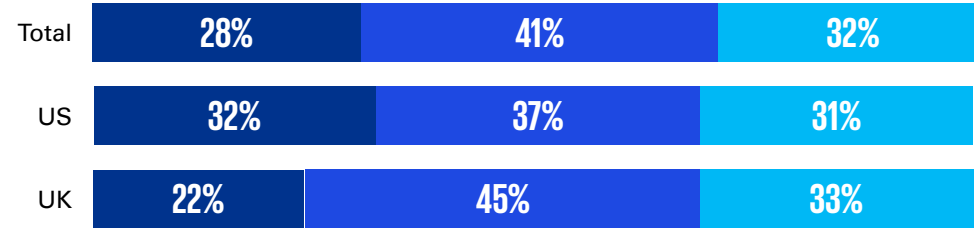
This effect was far more pronounced among US (60 percent) than UK gamblers (44 percent), showing the importance of understanding jurisdictional differences when constructing product portfolios.

It's also typical to see younger customers choosing games with big jackpots compared to older gamblers who lean toward higher RTP games—findings that can be tested by operators through targeted offerings. This same trend is seen in sports betting.

#### Percentage of gamblers who say the following are important or very important when selecting an online casino game



#### Return to player preferences



- Game A, with a top prize of £100,000 (\$100,000) and RTP of 90%
- Game B, with a top prize of £10,000 (\$10,000) and RTP of 96%
- My decision would be based on other factors outside of the prizes available

\* Percentages may not sum to 100% due to rounding.

#### Promotions are a powerful attraction.

Sign-up offers, free spins, boosted odds, and other bonuses are strong incentives driving customer traffic to the operators that offer them. More than 60 percent of US gamblers are influenced by bonuses compared to 46 percent of gamblers in the UK, where the face value of bonuses has decreased substantially over time through regulation. The trend toward more strict regulation of bonuses may continue going forward in the UK. Among the commitments highlighted in its White Paper, the UK Gambling Commission is looking at safety measures to ensure bonus offers and incentives do not lead to excessive or harmful gambling.<sup>ix</sup>

Gamblers are more likely to choose specific operators based on bonuses, including

**62%** of US gamblers and

**46%** of UK gamblers

### Advertising is a significant driver of brand choice for gamblers.

Thirty-five percent of gamblers say they're more likely to choose a specific operator based on advertising. The result is similar to last year (43 percent in 2023 compared to 46 percent in 2022).

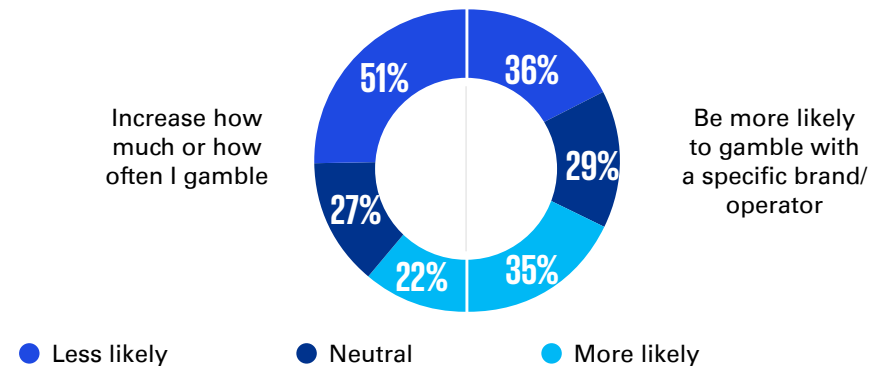
The percentage of gamblers who say they are influenced by advertising to gamble more money or more often has dropped from 38 percent to 22 percent since last year. The American Gaming Association has introduced new marketing standards for sports wagering designed to protect vulnerable audiences and promote responsible gaming.

Regardless, sports betting advertising has become a hot topic among US regulators. In the UK, there is continued coverage and academic study on the volume of advertising, with a specific focus on soccer.

All stakeholders in the gaming ecosystem must be involved in ensuring responsible advertising practices, and there's been recent movement:

- The recently formed Coalition for Responsible Sports Betting Advertising, for example, includes US sports leagues and media organizations committed to implementing and maintaining consumer protection policies.<sup>x</sup>
- The English Premier League announced it will remove gambling sponsors from the front of players' jerseys by the end of the 2025–2026 season, given the strong appeal of football stars to children.<sup>xi</sup>
- By the end of February 2024, athletes and celebrities appealing to minors will no longer be able to appear in commercials that promote online gambling in Ontario, Canada.<sup>xii</sup>

### Action gamblers take based on gambling advertisements



\* Percentages may not sum to 100% due to rounding.



## 04 Protection

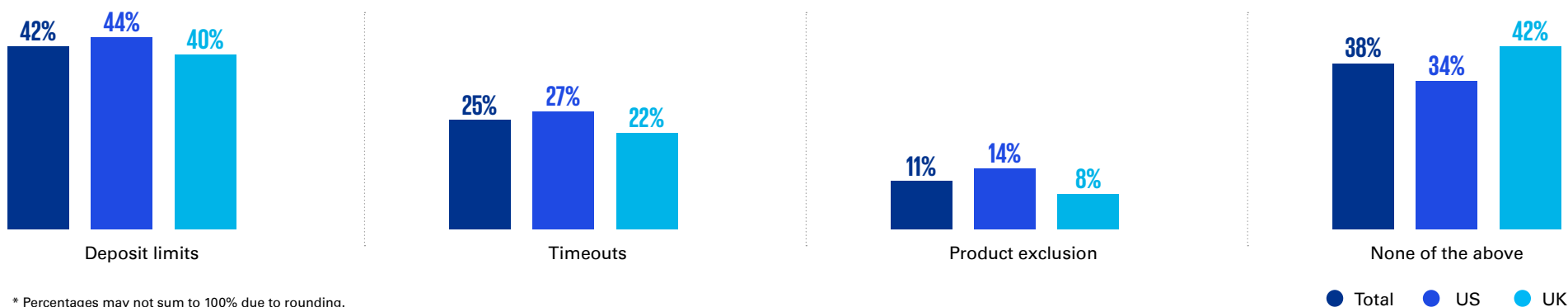
The longevity of the gaming industry requires boosting the use of player protections.

### Gamblers know player protection tools are available but still don't use them as much as they could.

The vast majority of gamblers, 90 percent, have at least some awareness of player protections available at the operators they've frequented, UK gamblers even more so. That's an increase from 82 percent in our prior survey. One in four still describe their awareness level as "low."

However, gamblers aren't using the tools available to them. Less than half have used deposit limits, timeouts, or product exclusion tools. "Informed by insights from behavioral science, the Gambling Commission will explore making these tools mandatory for players to use or opt out rather than opt in," the UK government said in its White Paper.<sup>xiii</sup>

### Gambler usage of of player protection tools



**90%** of gamblers are at least somewhat aware of player protection tools. One in four gamblers describe that awareness as "low."

### Most gamblers aren't willing to trade privacy for protection.

The Gambling Commission is among those suggesting affordability should be a significant factor in customer risk assessments, but the customers themselves are less than enthusiastic about sharing their financial and personal identification details with operators. Understandably, they are particularly sensitive about providing banking and tax records, UK gamblers more so than US gamblers. As one survey respondent wrote, "I don't want a site selling my info or being easy to get my info thru a hack."

Implementing so-called "frictionless" credit checks, likely through credit ratings agencies, could give gamblers the privacy protection they demand. This will of course take time, and trial and error (with the Gambling Commission announcing it is likely to undertake trial(s) ahead of a full rollout—a sensible move in our view). Of course, frictionless checks with reduced information requirements still don't protect the data companies have collected to date.

Our survey was conducted before high-profile cybersecurity incidents affecting MGM Resorts International and Caesars Entertainment in September 2023 impacted operations and reminded gamblers and nongamblers alike that bad actors continue to go after data.<sup>xiv</sup> Breaches have an impact on customer perception about how brands protect their information. After Target was attacked in 2013, the retailer’s reputation fell nearly 55 percent as measured by BrandIndex, but it rose again over the next several years to approach its prior level.<sup>xv</sup>

**The top personal document requests that would prompt gaming customers to leave an operator.**



“Although an alternate term has not been agreed on, sustainable gambling refers to behavior whereby individuals gamble within their own level of affordability and make informed decisions with an accurate understanding of the game and how outcomes are determined, free from the influence of external factors.... Early interventions and prevention strategies can enable people to continue to gamble in a sustainable way over time, if they choose. This should be at the core of any sustainable business and legislative model for gambling.”

— **Professor Sally Gainsbury,**  
The University of Sydney School of Psychology

# Stay in the game

Gaming operators, working in concert with the larger gaming ecosystem, must balance the key elements of trust, value, enjoyment, and protection in order to keep customers for a lifetime. Everyone has a role to play in building and supporting a sustainable gaming industry; KPMG can help.

## Gaming operators

- Design customer interfaces, taking insights from behavioral economics to highlight protection mechanisms in order to drive adoption.
- Obtain customer feedback and behavior analytics around desired and adopted protection methods and on other key trust elements like advertising.
- Consider how technology can enable further commercial growth, including AI strategy development and transformation.
- Adopt AGA/other industry codes for responsible gaming, advertising and other protections.

The KPMG Gaming and Travel, Leisure & Hospitality practice has assisted multiple B2C clients in the sector with value proposition development, including portfolio optimization, responsible gambling strategy, monitoring and evaluation, loyalty, and AI strategy.

## Suppliers

- Build protections for responsible gaming into core system offerings.
- Partner with operators to exchange key data that supports the design of sustainable games that help drive responsible gaming.

We have advised gaming industry suppliers on a range of issues and needs, including portfolio analysis, responsible gambling strategy, competitor benchmarking, and game design/RTP optimization.

## Sports leagues and teams/media companies

- Hire and support a Chief Gaming Officer with a team experienced in gaming regulation, responsible gaming, and risk management.
- Perform a risk review to test control frameworks to identify gaps and improve processes, help mitigate risk, and develop business policies.

The US KPMG Sports Industry practice serves the top sports teams, leagues, facilities, and collegiate programs to provide a wide range of audit, tax, and advisory services from risk assurance to schedule optimization.



# About the authors and about KPMG

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**Rick Arpin** leads the our US Gaming practice and is the managing partner of the firm's Las Vegas office. His efforts build on an extensive career in gaming and public accounting, having served some of the world's largest gaming companies and leading various finance and operations teams at a global gaming company. His extensive knowledge includes corporate strategy, M&A, and development projects; industry-specific accounting; finance/ERP systems and related process improvements; and regulatory and compliance processes. Within the broad gaming landscape, his experience includes land-based operations, online gaming, sports betting, and product suppliers. He also has experience in the sports and entertainment industry.

## About KPMG

KPMG professionals who serve the gaming industry combine their experience with specialists across the firm to help navigate the issues critical to industry success. In addition to core audit and tax services, we assist gaming companies in a wide array of areas, including customer experience, technology enablement, mergers and acquisitions, process improvement, internal audit, cybersecurity, and risk management and controls. We work across all sub-sectors within gaming: land-based operators, online operators, tribal, suppliers, lotteries, racing, and social gaming.

Looking beyond today, our team works with industry participants to develop strategies for growth and leverage the data, analytics, automation, and artificial intelligence technologies that can transform companies. KPMG also works with companies around the world to support of their ESG goals and strategies for a sustainable future, including projects to help develop and implement responsible gaming programs and practices.

Visit [our portal](#) for the latest insights in the gaming space.

## Adam Rivers

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**Adam Rivers** is a partner leading the firm's UK Consulting practice in the sector. He has advised on regulatory matters for some of the largest transactions in the past decade; guided both private sector clients and international regulators during regulatory change; and overseen various complex data analytics projects, including studies of safer gambling. Adam's practice brings sector-specific insights to projects including operational transformation, technology, and strategy. As a member of the KPMG Economics team, Adam also is a regular publisher of thought leadership and speaks around the globe on the economics of the gaming sector.

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Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

[kpmg.com/socialmedia](https://kpmg.com/socialmedia)



## About the survey

KPMG LLP (US) conducted an online consumer survey in August 2023 to better understand views regarding gaming, casino play, and sports betting. The survey collected more than 850 responses from consumers in the US and the UK. Respondents included both gamblers and nongamblers at a ratio of approximately 70 percent to 30 percent, respectively. For the purpose of this survey, gamblers are defined as those who say they have gambled within the last six months. Their activity was split approximately in half between online and land-based gaming. Respondents represented a wide mix of sociodemographic factors. Note that 2022 data presented in this report excludes respondents from Canada that had been included in the prior report, [ESG scores points with gaming customers](#).

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

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