

QLD GMDC Future of Systems and Digital

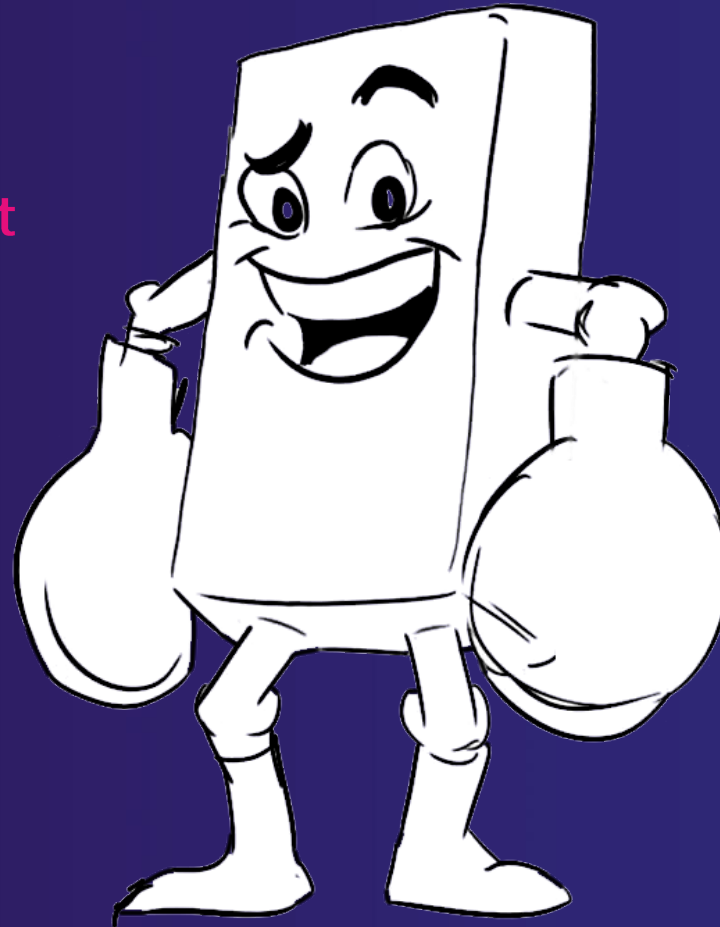
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General Manager, CXS APAC



AGENDA

The Future of Systems and Digital Wallet

- Who is our player?
- ANZ market snapshot
- Gaming System Evolution
- Disruptive Technology
- DW and other things to watch



Who is our player?



Millennials/Gen Z

Millennials - also known as Gen Y, Echo Boomers, and Digital Natives, were born from approximately 1977 to 1995

Gen Z - anyone born from 1997 onward is part of a new generation



Are they worth the effort?



“Millennials and Gen Zs are set to become the most important customer group for most banks and credit unions over the next decade, **as nearly \$70 trillion in wealth transfers to them from their parents.** But, as our research shows, what worked for mom and dad will not be enough to win and keep this younger demographic as a customer,” said **Jake Tyler**, CEO at Finn AI.

<https://thefintechtimes.com/80-percent-of-gen-z-and-millennials-use-money-transfer-apps/>

What about them?

1. More financially astute
2. More debt averse/aware
3. Well researched and less inclined to follow status quo
4. They favour experience over possession
5. Driving increased tech adoption/digital natives

**“But nothing will happen to us
clubs....what's this bald bloke talking
about?”**



The ANZ gaming market current size

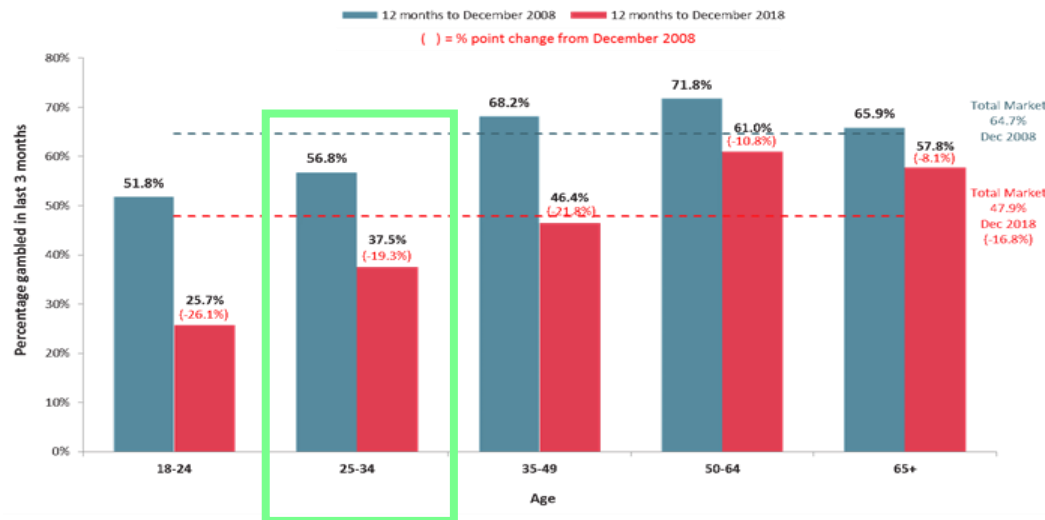
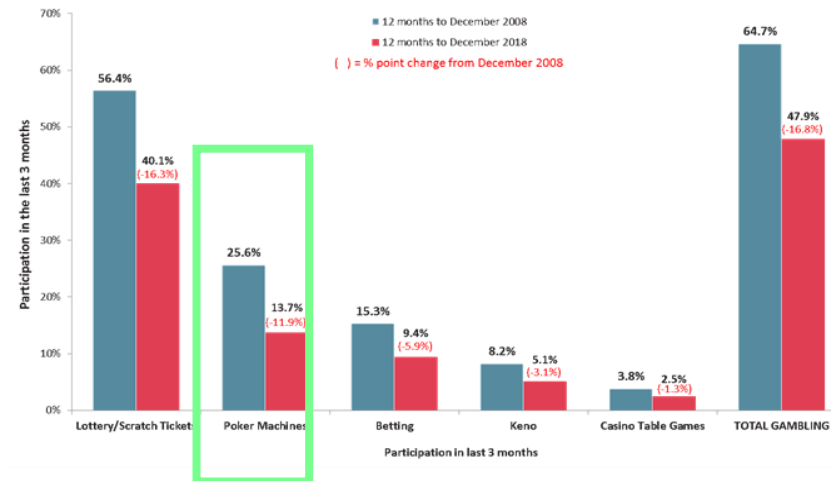
- Australia was estimated to have 192,800 machines installed in 2019, a reduction of 3501 machines from 2018 (this equates to 2.59% of the worlds total electronic gaming machines).
- Australian has one gaming machine per 114 Australians.
- Post-covid many venues have not returned all egms to their floor.



Emerging Industry Headwinds

Poker machines are becoming less popular

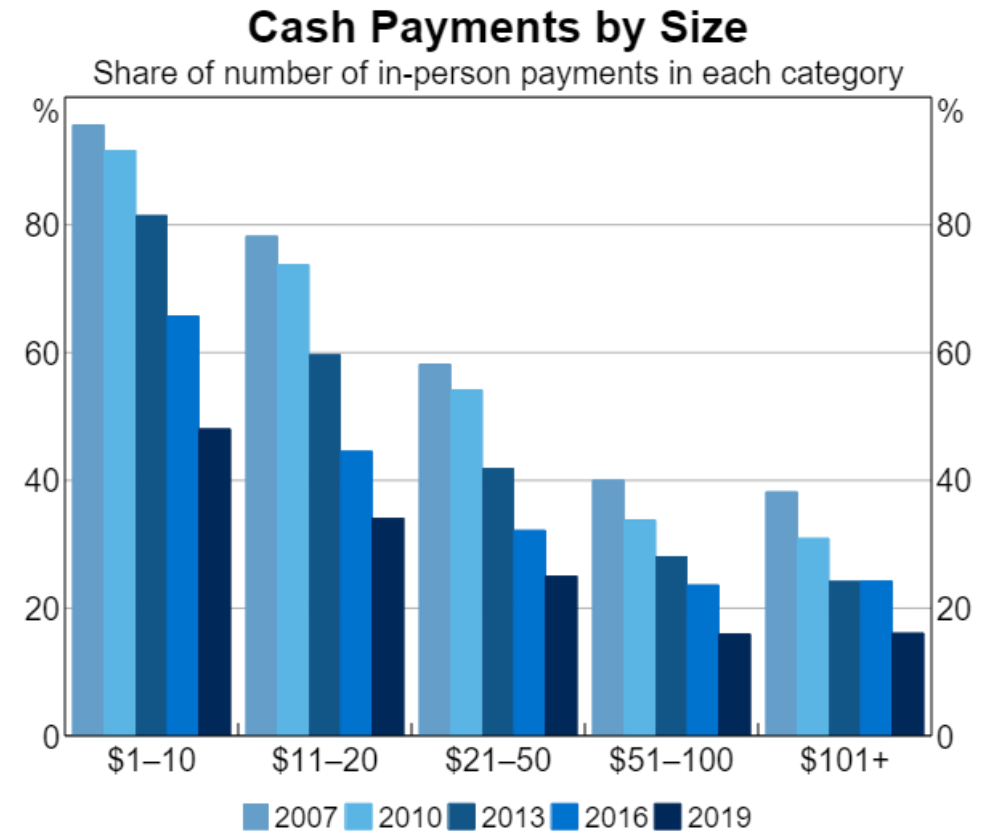
- Poker machine play declined by 12% from 2008 to 2018



- Emerging younger generations have shown by far the biggest decline in gaming machine play in the past decade (26.1%)

Macro Socio-Economic Trends **cash is disappearing**

- Over the course of the last decade, cash has gone from being the dominant form of payment to now being used for less than 25% of transactions Australia-wide (Bambora, 2021).
- Driven by these trends, Australia is predicted to be cashless by 2024.
- The big 4 Banks reduced ATM numbers in Australia by 19% in 2021 with the number of branches reducing by 9% in the same period (Ritchie, 2021).



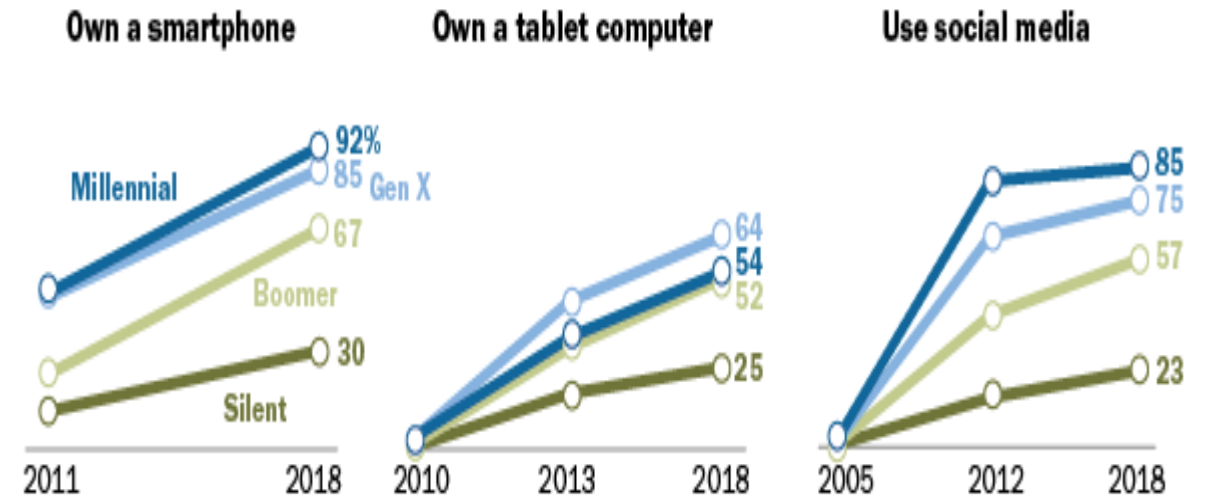
Source: RBA calculations, based on data from Colmar Brunton, Ipsos and Roy Morgan Research

Macro Socio-Economic Trends

Digital adoption provides the new opportunity to engage customer

- In 2017, 75.8 percent of the Australian population used a smartphone, and the share was estimated to reach around 80.1 percent by 2025 (Granwal, 2020).
- Millennials are driving this adoption with 93% of those who turn 23 to 38 this year owning smartphones, compared with 90% of Gen Xers (those ages 39 to 54 this year) and only 40% of the Silent Generation (74 to 91) (Vogels, 2019).
- Several high-profile brand loyalty programs have been underpinned by mobile. In 2011, Starbucks launched the Starbucks Card mobile app, enabling mobile payment.
 - By 2019, 71% of Starbucks app users were visiting a store at least once a week.
 - app users were 5.6 times more likely to visit a Starbucks every day.
 - Such frequency of use and familiarity eases the adoption of other retail apps (Pearson, 2020).

% of U.S. adults in each generation who say they ...



Source: Survey conducted Jan. 3-10, 2018. Trend data are from previous Pew Research Center surveys.

Pew Research Center

**“good grief, the industry must be
doomed right?”**





THE ROLE OF A GAMING SYSTEM

Systems

- Reduce friction
- Speed of service
- Self-sufficiency
- Data – egm/player/competitor
- Compliance/risk/security
- Cash reduction via systems
- Loyalty and engagement
- Potential value-prop for player verification



Systems opportunities

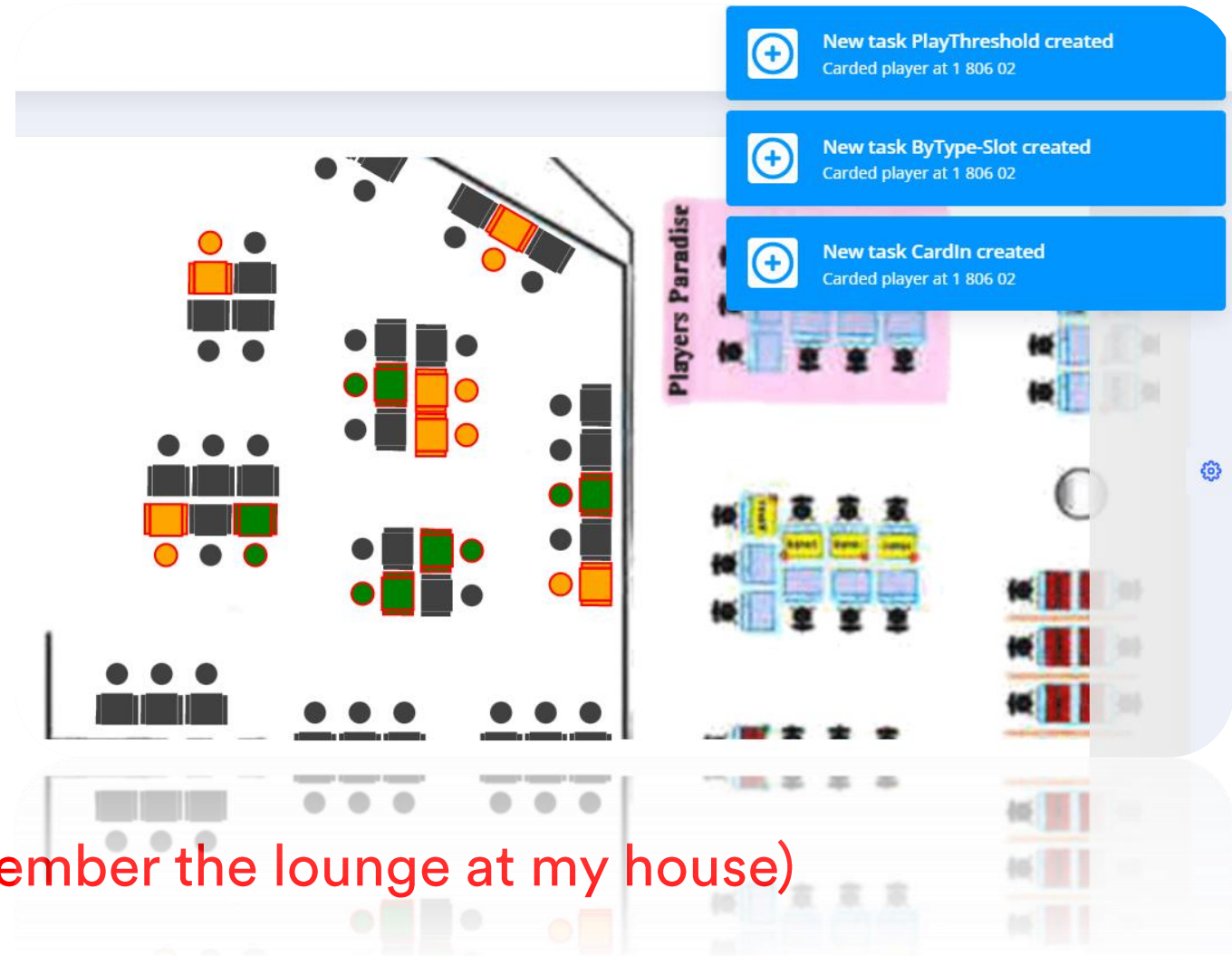
- The Great Loyalty Debate
- The trade-off between privacy and convenience
- Emerging generations, emerging trends
- Digital natives = digital opportunities



Systems provide...

Key Metrics To Consider

- Spend per head
- Visitation
- Associated non-gaming spend
- Trend analysis
- Profit/player distribution
- Real-time actionable insights (remember the lounge at my house)



What good venues do well

- Wholistic offering
- F & B is a thing
- Secure & Friendly
- Interaction & People
- Technology



How some venues have been left behind

- Think about consumer experience
- Technology & Product (egm/signage/supporting infrastructure)
- People
- F & B – (ask me about Rosehill)
- Customer Journey



Technology has changed the game

- Consumers are inundated with choices
- Consumers are less loyal and more demanding
- Your venue competes against clubs, hotels, restaurants, online games, online gaming, Uber Eats, Netflix, Stan and on and on
- Consumers want frictionless experiences

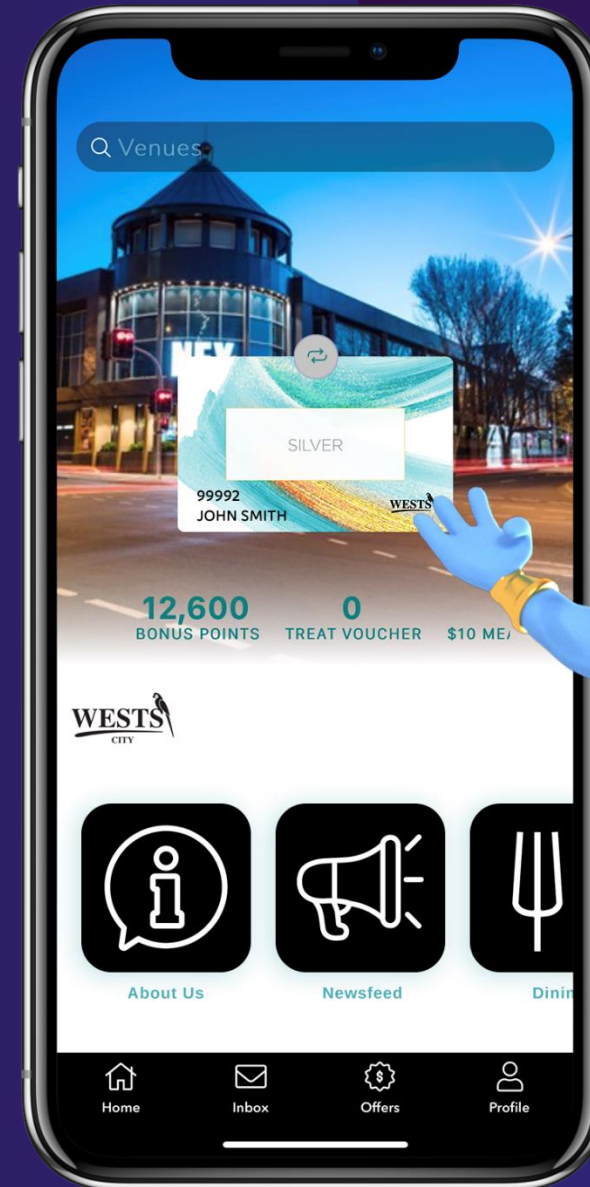


What does that mean for venues?

1. Seamless patron experience online to in-venue is expected
2. Personalized loyalty experience has value
3. Innovation around loyalty, gamification and shared gaming experiences is an opportunity
4. Competition is everywhere, including the home
5. Contactless is the new customer service
6. We may need to challenge established business models and our own thinking

PRIME DIGITAL (CASHLESS) BRIEFING

October 2022 – April 2023



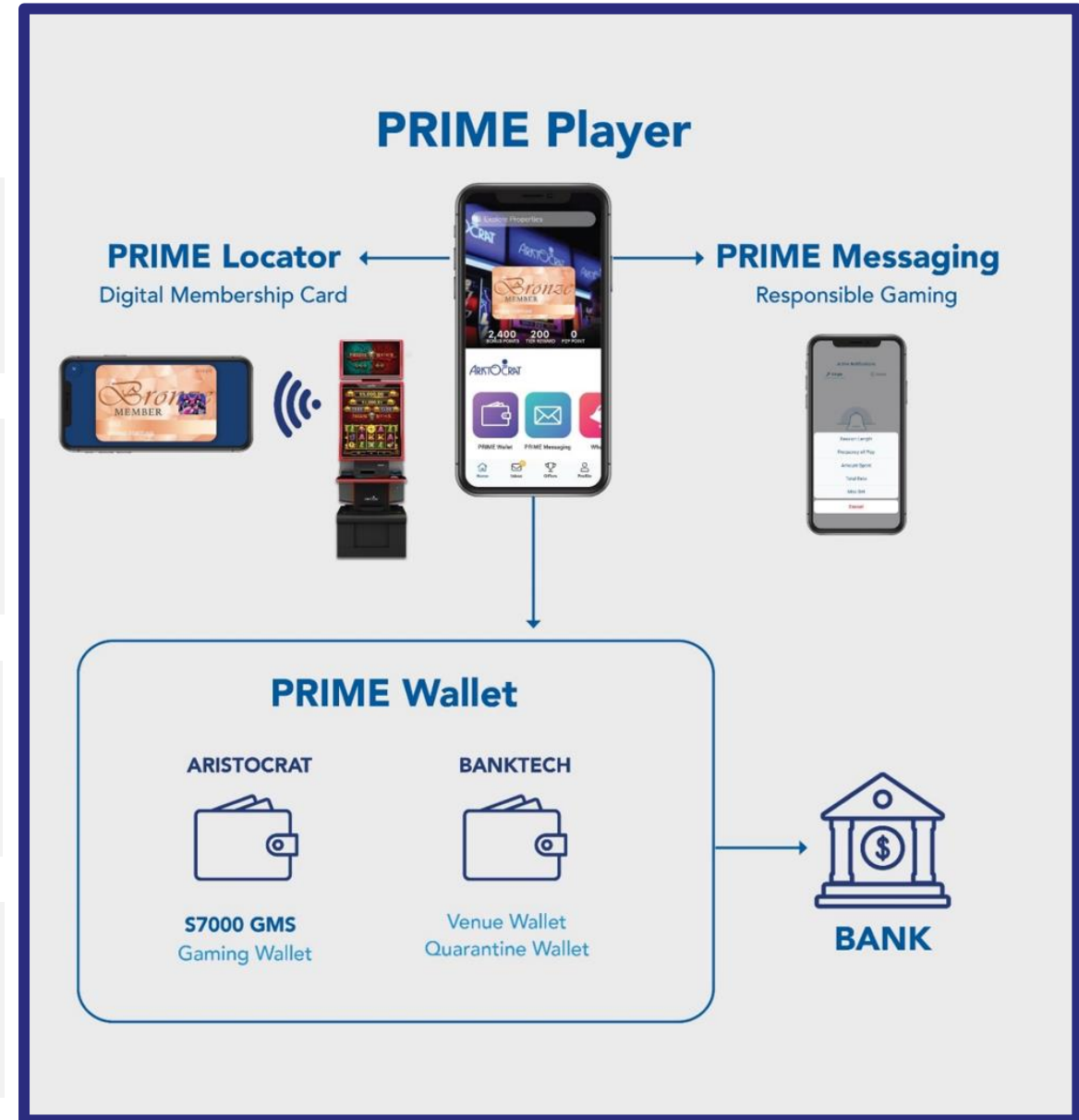
ARISTOCRAT'S NSW SOLUTION

PRIME Player – mobile application

PRIME Messaging – responsible gameplay

PRIME Locator – location services

PRIME Wallet – digital wallet



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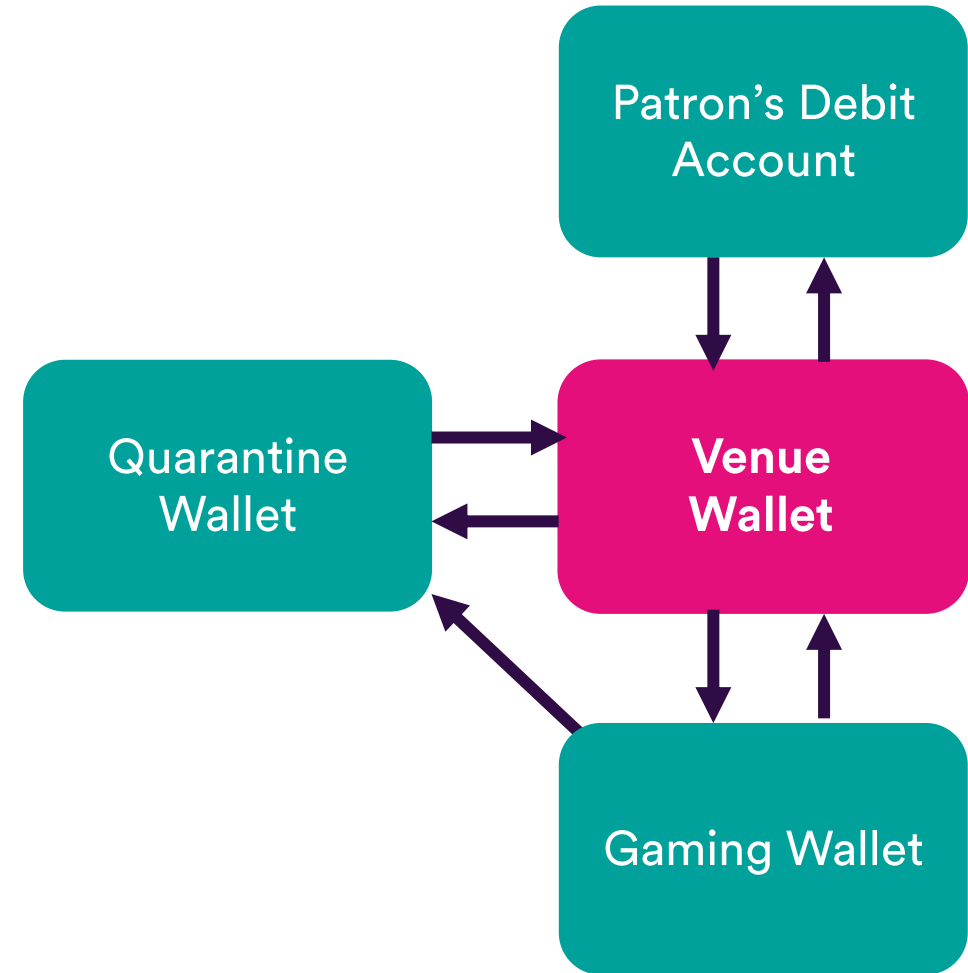
PRIME WALLET

What is PRIME Wallet?

PRIME Wallet is a term given to the digital banking system that contains three individual *wallets*.

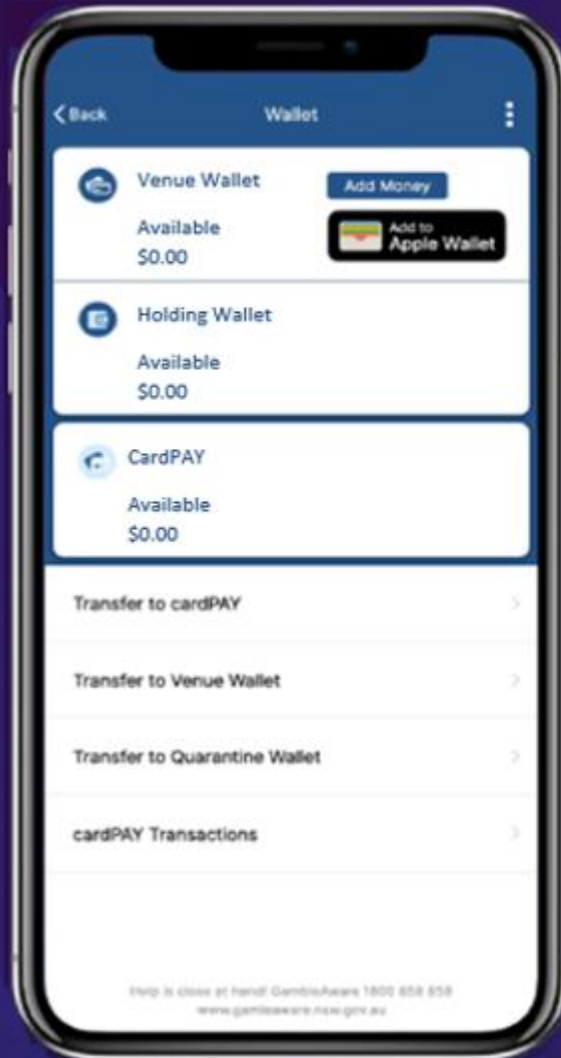
These are:

- Venue Wallet: facilitates funds transfers to and from the banking system and Point of Sale (POS).
- Gaming Wallet: facilitates funds transfers to and from the Gaming Machine (EGM).
- Quarantine Wallet: replaces cheques/EFT
 - When transfers from EGMs exceed \$5,000, the amount over \$5,000 is automatically transferred to quarantine
 - quarantined funds restricted from being used for gaming or external bank transfers for 24 hours
 - Quarantined funds are available for POS transactions.

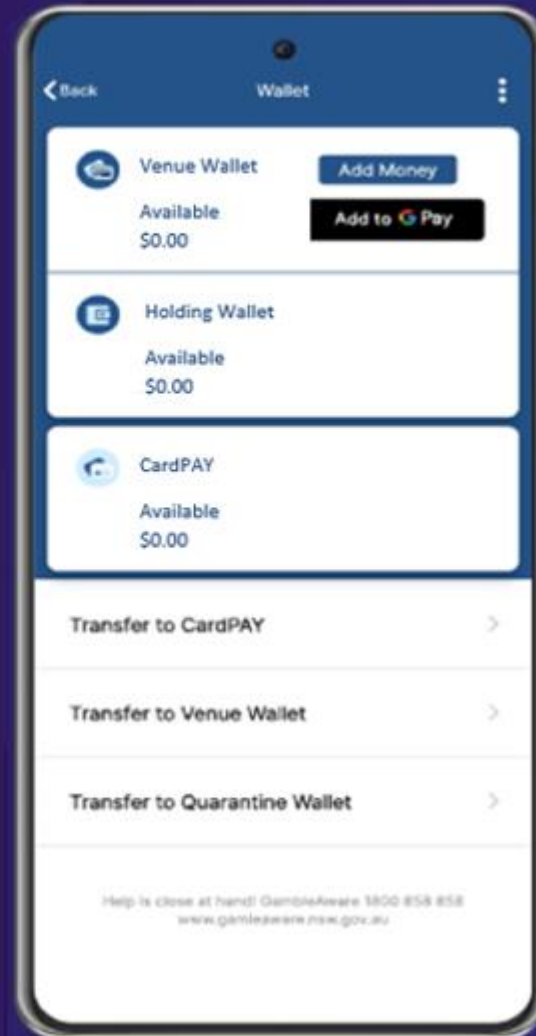


PRIME WALLET

Apple



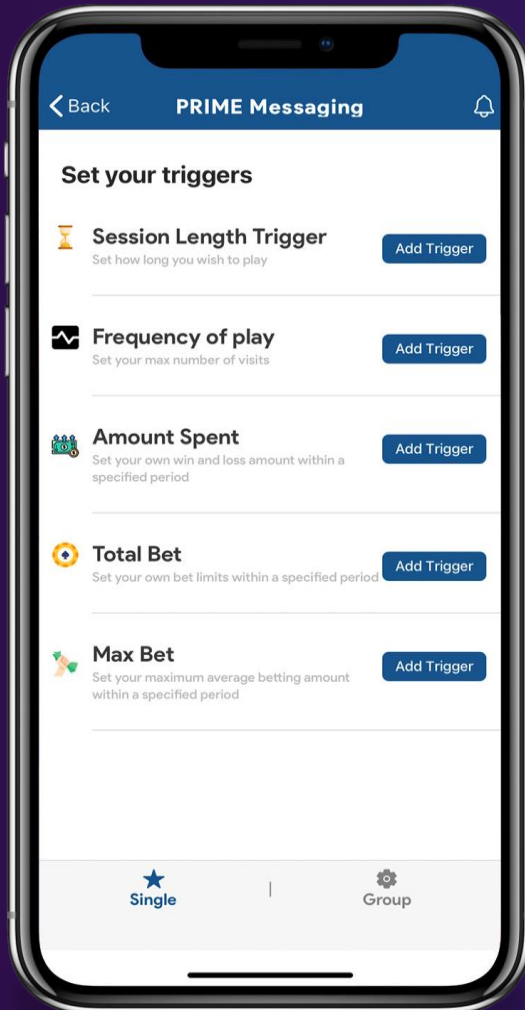
Android



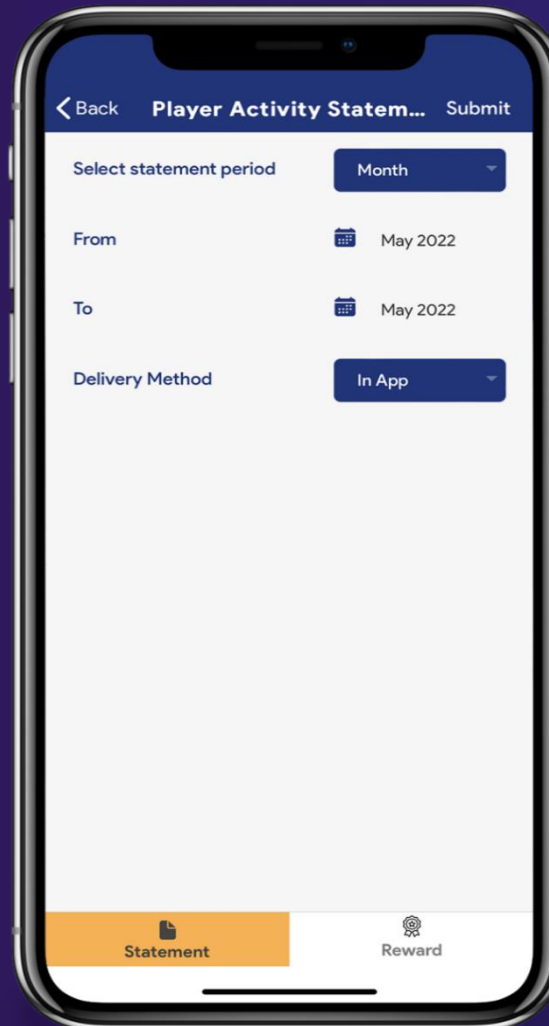
- Venue Wallet
- Quarantine Wallet
- cardPAY (Gaming Wa
- POS Wallet

RESPONSIBLE GAMEPLAY FEATURES

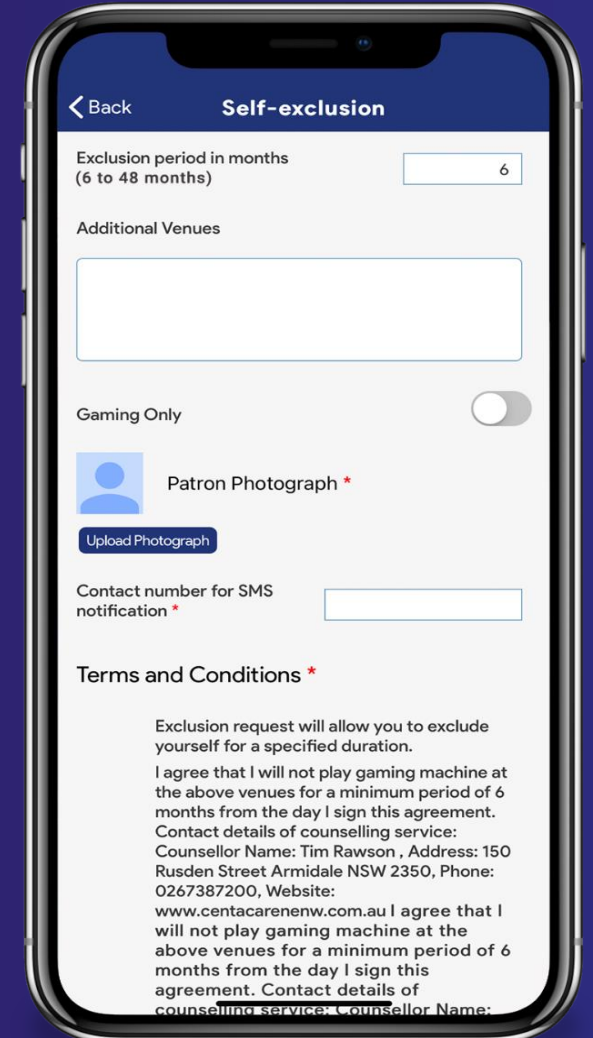
• PRIME



Player Activity Statement



Self exclusion



What could the future hold?

Once we have digital wallet, we are
in the customers palm and with
them 24/7

- Frictionless patron experience
- Omni-channel connectivity
- 24/7 data
- Privacy vs convenience trade

Reimagining the game

Anaxi, Aristocrat's online Real Money Gaming business, announced today a strategic partnership with BetMGM, a leading iGaming and sports betting operator. World class gaming content from Aristocrat will first be available via BetMGM online casino.



Reimagining the experience

Starbucks loyalty program is considered amongst the best in the world and this sort of mobile/digital patron engagement will soon be the benchmark against which our venues are measured by their patrons



Reimagining the industry limits

The O'Farrell report into illegal online gambling stated that the market is Australia is calculated to be worth approx. \$1bn per year, the regulation and taxing of such a market would be worth as much as \$400mil per annum to Australia's government (O'Farrell Report, 2015).



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QUESTIONS?