All-in on AI:

Why Gaming and Leisure Companies Should Embrace Artificial Intelligence Now

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Businesses of all types and sizes cannot ignore the rapidly growing power of artificial intelligence (AI) and the many benefits of this advanced technology. When it comes to the gaming and leisure industry, AI can deliver improvements and support success in countless ways, chiefly by enhancing customer experience (CX), enabling predictive analytics and improving operational efficiencies.

The **range of uses for AI** — from machine learning and natural language processing to computer vision and intelligent machines — has the potential to boost revenue and profitability for businesses in this sector by enhancing the collection, integration and analysis of data, which can quickly yield actionable insights. While some may view AI tools as unnecessary or too expensive, the reality is that these tools are more accessible and useful than ever.

Tapping into the full potential of AI requires a sufficient tech stack and **robust data architecture**. Alternatively, companies can use **AI-as-a-Service** (AIaaS) options, which can be implemented more quickly. And the increased use of AI can also increase exposure to risk, so companies need strong governance and controls to ensure proper oversight, compliance and cybersecurity.

Despite the complexity and potential challenges of implementing cutting-edge technology, leaders in gaming and leisure should explore the ways AI can benefit their strategic decision-making to improve CX, leverage efficiencies and sharpen the competitive edge.

GAME-CHANGING CX

Customer expectations have never been higher. AI can enhance customer intelligence and improve the speed at which business leaders react to changing customer needs and behaviors with data-backed insights. Tracking customers' data across their experiences **as part of an omnichannel strategy** offers gaming and leisure companies greater access to timely information on their customers than ever before.

To make the most of this data, companies should shift from historical data analysis to harnessing predictive analytics. Machine learning techniques can inform predictive modeling to forecast likely customer behaviors and prepare a range of responses in advance.

Rather than relying on multiple data dashboards, siloed analytics and manual processes, companies can use AI to achieve seamless integration of data for actionable, forward-looking insights. This can be supported through automated data collection and response programs like "autonomous agents." Implementing such initiatives means that customers' needs can be responded to in real-time by anticipating those needs even before they arise.

AI USE CASE:

Movie theater chain uses predictive analytics to forecast demand and inform dynamic pricing

Following pandemic-related challenges, a movie theater chain re-examined its business model and determined that the market could bear elasticity in pricing. Predictive modeling helped forecast consumer demand based on time of the day and day of the week, enabling stronger audience segmentation for targeted promotions, de-averaging metrics to recommend a range of suggested features and dynamic pricing on tickets and even concessions. The changes led to notable gains in return purchases and revenue.

LEVELING UP OPERATIONAL EFFICIENCY

Beyond improving CX, AI can significantly enhance internal processes for gaming and leisure companies. AI tools can boost operational efficiency in many different ways and unlock performance improvements by leveraging data more effectively, delivering insights quicker and empowering decision-makers to act sooner.

Using AI allows for faster insights and reduces the possibility of human error. It can also help remove information silos and integrate internal systems so leaders can see across functions without having to migrate data.

For example, when integrating data from one platform into another, AI can speed up the process by learning which data sets fall into which categories and combining all platforms into one overarching function. This process would take considerable time to complete manually, as well as pull from internal resources that could be focused on other, more strategic tasks.

Although deploying advanced technology may require upskilling and reskilling programs to train staff on higher-value tasks, it can also increase employee engagement and support recruitment and retention, which is especially important during a tight labor market.

Increasingly, there are also low-code and no-code options for custom application development that accelerate innovation and require fewer resources from IT teams. In addition, companies that either need to upgrade their systems or are not ready to build their own AI platforms can invest in an AIaaS platform and other "off-the-shelf" options to help bridge the gap between new technology and their current capabilities.

AI USE CASE:

Casino-resort uses computer vision to monitor table games, improving accuracy and security

To monitor for errors and anomalies at table games with live dealers, a casino previously used spotters on the floor as well as video feeds monitored by experienced staff members. By deploying the latest computer vision technology, the casino was able to identify more instances of dealer error and reduce its error rate in these settings, as well as reduce incidents of players who tried to cooperate or circumvent the rules.

CLEARING OBSTACLES TO SUCCESS

While AI presents gaming and leisure companies with a variety of opportunities to enhance their operations, it can also introduce a number of enterprise risks, including potential bias, exposure to cyber risk, reputational damage and, depending on the jurisdiction, regulatory compliance issues. When integrating AI into business processes, it's critical to have strong governance and controls in place to help ensure responsible use of AI, as well as strong data protection and transparent communication with stakeholders.

After assessing a company's **digital maturity** and **AI readiness**, leaders should evaluate the controls needed to mitigate risk for all elements of AI implementation. Employee access should be restricted to necessary data sets only, with corresponding activity logs. Controls can be automated to flag any anomalous activity. Some organizations may choose to create an internal generative AI platform — such as **BDO's in-house GPT offering** — tailored to their needs to facilitate cross-functional data analytics, but the platform should be securely firewalled and restricted to specific users in specialist, management and C-suite roles as applicable.

It's also important to check for biases in training data and outputs. Skewed or inconsistent data can lead to flawed results, so policies and processes for ethical use of AI should be documented and corresponding reviews conducted on a routine basis. Ultimately, companies working to implement AI should ensure that the digital strategy aligns with the organization's broader risk appetite.

WRITING THE PLAYBOOK FOR FUTURE SUCCESS

Whether now or in the coming years, all gaming and leisure companies will need to leverage AI to remain competitive. Each company should determine where and to what extent AI can enhance their operations and CX by enabling more efficient and effective use of data.

AI's potential to facilitate improved data analytics and predictive capabilities will inform faster decision-making at all levels of an organization. By extension, companies can see material benefits in terms of improved revenue and profitability stemming from CX improvements and efficiencies. Despite the challenges and complexity involved with integrating new technology tools, leaders can unlock new growth opportunities and open doors to lasting performance improvement by embracing this advanced technology today.

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