

Should the Gambling Industry Rethink Its Strategy?

Keeping track of the metrics from the online gambling industry provides some great insights into current trends. The UK Gambling Commission, the regulatory body of all forms of Gambling, regularly releases key data about the state of the industry.

It provides many reports covering all aspects, but the latest Industry Statistics report covering the period of April 2022 to March 2023 provided a fascinating insight into how valuable the industry is in the UK. Specifically, it showed what channels were providing the biggest streams of revenue from online casino platforms.



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Questions for Operators

The results from the Gambling Commission could be used by operators to their advantage. If a certain demographic is not playing as much as others, different categories of operators such as [popular instant](#) withdrawals casinos, can see a new window of opportunity open for them to target them with promotions and advertising.

Knowing which games are most prominently played, could lead to further development in that area. Or should the focus shift from one main area, to bump up the revenue streams from other types of games? There are plenty of questions that online casino sites face, but first, let's examine some of the key takeaways from the report.

How Many and Who?

There are roughly 2,300 gambling operators in the UK market, which is a slight decrease from the previous twelve-month period of around 3%. The volume of operators dropped 9.2% from pre-2020 numbers.

Still, the number of active remote gambling accounts has gone up 4% since 2020 and at the end of the reported period, a staggering £877.5 million was held in online customer gambling accounts.

During the same period, the UK Gambling Commission also released information that 44% of adults had gambled at least once in the preceding four weeks of being surveyed. Males have a higher rate of gambling participation at 45% with females at 41%, and the dominating age demographic is 45-54, likely those with more disposable income.

The Online Winner

While sports betting is heavily synonymous with the British gambling scene, it is not the biggest sector by a long shot. Online casino slots produce the highest revenue stream in the UK, followed by football betting, horse racing betting and then bingo.

To sum up just how key slots are to an online gambling business, of the £6.5 billion gross gambling yield (GGY) from the 2022-23 period, £4.0 billion of that came from online casino games. More than three-quarters of that was from slot games alone (£3.2 billion), with the rest made up of other features like table games.

Should Operators Embrace Change?

The distance that slots have over anything else in the industry is phenomenal, but should operators be looking at ways to close the gap with other channels? New marketing tactics to enhance areas like poker and bingo, or adding a wider selection of [roulette games](#) could be potential avenues to close that gap.

But operators actually aren't likely going to be concerned about closing that gap. As much as they would like to, they don't need their sports betting side to produce the revenue that slots do. The different streams are never going to perform equally.

It would make more sense to instead push the slots side of the business even heavier, trying to drive even more custom towards that.

Why Slots?

The Gambling Commission report highlights that the industry is

doing well across all areas. But slots are popular because they are simple, luck-based games based on a random number generator. They are designed to be very inviting to grab attention and don't require a steep learning curve such as poker or baccarat.

So this perhaps is a case of operators learning towards giving customers more of what they want, which in this case, is slots. The market already exists and that means that any expense used in trying to make sports betting catch up, for example, is likely not going to ever yield the returns to make it happen.

There is never going to be the volume of players that take up roulette compared to the number that will simply pick a slot from an online portfolio. The revenue of all other forms of gambling is way behind slots. So the industry doesn't need a total rethink of the way things are going, it's already doing something right from a revenue perspective.