

J.P.Morgan

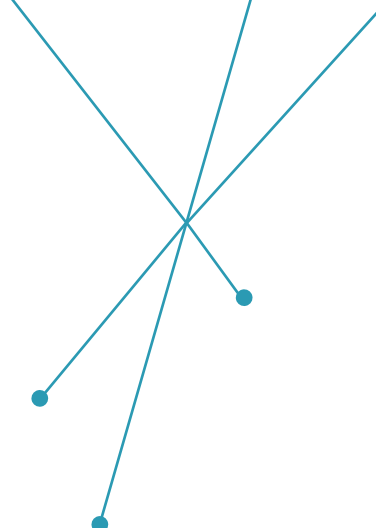
# The Future of Resorts, Gaming and Entertainment is Closer Than You Think

An aerial night view of the Paris Las Vegas resort. The Eiffel Tower replica is the central focus, illuminated in gold. To its left is the Flamingo Las Vegas, and to its right is the Flamingo Las Vegas. In the foreground, there's a large, illuminated hot air balloon structure. The city lights of Las Vegas are visible in the background. A network diagram with white lines and nodes is overlaid on the image, connecting various points across the resort.

SHOPPING  
DINING  
HEALTH/WELLNESS  
GAMING  
ENTERTAINMENT  
VIP HOSTING  
DIGITAL IDENTITY

LOYALTY

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- II. Enable guests to move and transact freely across all resort facilities
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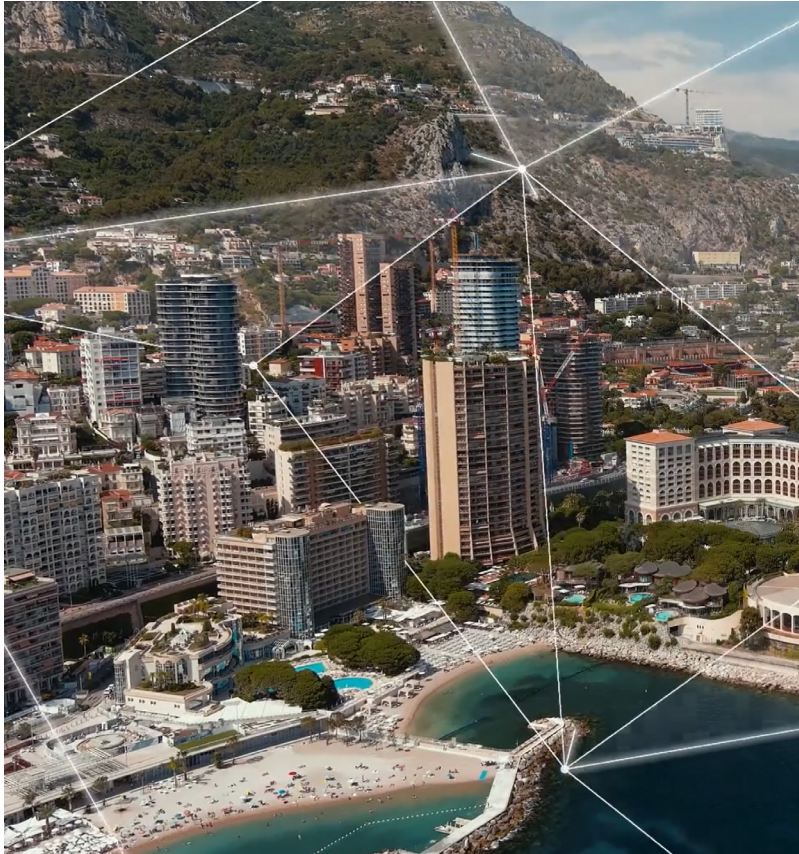
### Creating the hybrid gaming future

- I. Enhance in-person gaming with online and digital options
- II. The role of cashless gaming, AR, VR and next-gen technology
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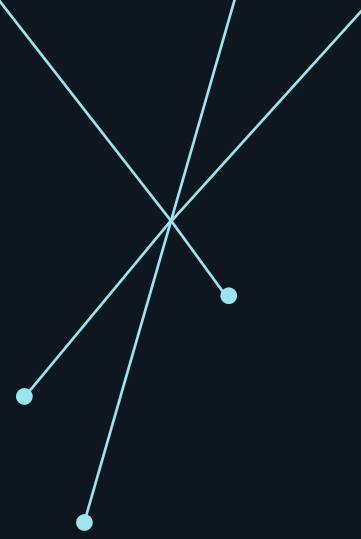
## 6.

### What's next

- I. Digitalization is transforming the resort experience
- II. J.P. Morgan Payments is your comprehensive partner



# Executive summary



This white paper explores various ways that resort operators may bolster their in-person experiences with digital elements. Each example is a springboard to showcase opportunities for payments to enhance the digital innovation. Below are three key takeaway views on the space:



The resort, gaming and entertainment ecosystem may lead many industries in the convergence of the digital and physical experience with a super-app that powers the entire user journey.

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New technologies such as the metaverse, augmented reality and virtual reality could play a key role in creating further opportunities for a contextual, digital experience.

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Integrated payment solutions can grow resort businesses into a greater marketplace experience for both third parties and resort guests by enabling faster, safer and lower-cost virtual wallet transfers.

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# The digitalization catalyst

Your escape to Las Vegas or other resort entertainment destinations is moving beyond the physical experience. As guest expectations have heightened, operators are blending the physical and online worlds to differentiate themselves across the entire resort, gaming and entertainment industry. This innovation can unlock a new ecosystem for merchants and third-party sellers, and these players could fuel both consumer benefits and business growth. Payments, digital wallets and virtual accounts have an opportunity to underpin these evolutions.

The COVID-19 crisis catalyzed this development through quarantine by accelerating digitalization, which also occurred in other industries. A recent [McKinsey study found](#) respondents are three times likelier now than before the pandemic to say at least 80% of their customer interactions are digital in nature.<sup>1</sup> This digital acceleration has particularly impacted the resort, gaming and entertainment industry given the rise of legalized sports betting<sup>2</sup> across additional states and jurisdictions. As a result, new audiences could engage with casino platforms that offer both physical and digital offerings.

With this growth has come new expectations. As COVID-19 restrictions lifted, people returned to brick-and-mortar resorts, but visitors now expect many of the digital experiences to which they have become accustomed.



42%

OF AMERICAN ADULTS PARTICIPATED IN SOME FORM OF GAMBLING IN THE PAST YEAR<sup>3</sup>

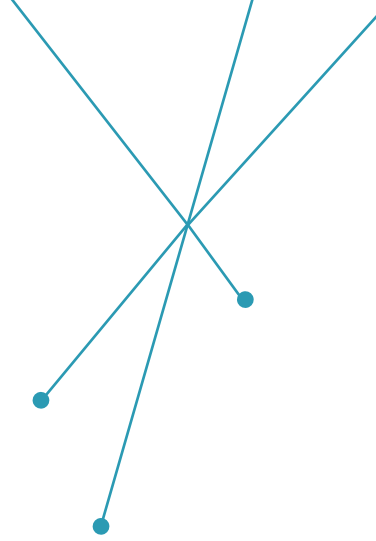
TOTAL NUMBER OF ONLINE SPORTS BETTORS IN THE US  
**19 MILLION IN 2022**  
**23.1 MILLION IN 2023<sup>4</sup>** ↑

GLOBAL ONLINE GAMBLING AND BETTING INDUSTRY FORECAST TO RISE TO

**\$144.4**  
**BILLION BY 2028<sup>5</sup>**

THIS REPRESENTS  
**86% GROWTH** OVER  
THE NEXT SIX YEARS<sup>6</sup> ↑

# The digitalization catalyst



In order to help match these expectations, brick-and-mortar casinos are converging with the iGaming industry, which is any kind of online betting that wagers on the future outcome of a game or event, whether it be in sports, online casinos, poker, eSports or more. Examples of this industry shift include Caesars acquiring William Hill, Penn acquiring Barstool and MGM acquiring LeoVegas. This convergence is creating a need for unified commerce to meet the evolving needs of visitors' digital adoption.

To drive loyalty, resort and gaming operators are now designing and building seamless experiences to modernize their physical and digital ecosystem. The goal is a contextual, digital journey, and it's closer than you think.

At the heart of this transformation is most likely a super-app that seamlessly and frictionlessly powers the guest journey across their entire resort. Casino operators would also use this app to more efficiently engage sellers and third-party providers through various digital payout methods. These all-encompassing, self-contained commerce and communication platforms have already rapidly grown across the Asia-Pacific (APAC), Europe, Middle East and Africa (EMEA) and Latin America (LATAM) regions and transformed many industries. And now, the resort, gaming and entertainment industry could be an ecosystem to benefit from the

super-app model since the technology can help visitors embrace many aspects of their personal and commercial lives.

Across these digital innovations, [payments have various opportunities](#) to play a role. For instance, contactless payments are becoming the norm rather than cash; research from the American Gaming Association (AGA) shows that over half of frequent customers would like to use digital payments on the casino floor (rising to 90% for high spenders).<sup>7</sup> While many of these super-apps are in early stages, future advances are predicted to eliminate many frictions to enhance the experience.

34% ↑

OF AMERICANS VISITED  
A CASINO, UP FROM 28%  
IN 2021<sup>8</sup>

# A seamless journey

## AN END-TO-END EXPERIENCE

- + Confirm digital identity
- + Tip easily
- + Track loyalty
- + Function meets fashion

## RESORT CHECK-IN IS A BREEZE

- + No queues
- + Preset the thermostat
- + Unlock the door
- + Access the room safe

## HYBRID GAMING EXPERIENCES

- + Manage funds
- + Game responsibly
- + Table games, slots and sports betting
- + Transfer funds across physical and digital

## LIVE IN THE MOMENT

- + Make reservations
- + Order food delivery
- + Pay at retail
- + Access entertainment spaces

# An end-to-end guest journey

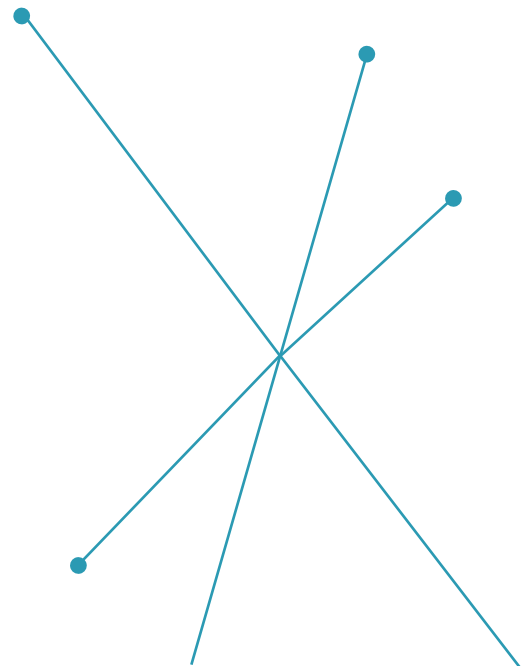
## THE OPPORTUNITY    THE INNOVATION

Create an end-to-end experience where guests can customize and personalize their journey *prior* to arrival.

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With digital technology, a true end-to-end experience starts well before the guest arrives at the resort. Imagine a group of friends are planning a trip to celebrate one of their birthdays. A guest can personalize and pre-plan an itinerary based on their past preferences and activities – all through the resort’s super-app.

With this innovation, the guests can seamlessly browse the events schedule, book hotel amenities, message the concierge in real time and order services in advance. Resort operators can also add third-party partners such as airlines and ride-share services to offer more pre-engagement services. They can even upgrade experiences, activities and amenities through loyalty perks at arrival. This functionality ultimately benefits all three platform players: The guest through increased utility and enjoyment onsite, the merchant through new or increased revenue streams, and the resort operator through improved loyalty and overall experience.



# The role of payments



Payments can serve as the backbone to the marketplace by reducing friction around finding and making purchases. The guest would create an account that's connected to a payment method such as a bank transfer, debit or credit card, digital wallet or a digital currency. This account allows them to conduct commerce in the marketplace with a few taps.

Through offering these services, the super-app can serve as a **marketplace**. It offers guests various offerings that they can curate around their unique needs. Resort operators can build on this experience by expanding the marketplace across all physical and digital channels. They can then use digital payments to help engage their guests, drive loyalty and increase the quality and quantity of sellers in their marketplace for both gaming and non-gaming needs. More examples of how super-apps can be used are discussed below.



JAMES &  
DIANE SMITH

VIP STATUS    ROOM  
☆☆☆    411

DATES OF STAY

JUN 12 — JUN 16

ROOM PREFERENCES

70°F    |    9AM  
ROOM TEMP    |    WAKE UP CALL



ROOM  
UNLOCKED

ADDITIONAL NOTES  
HYPOALLERGENIC PILLOWS  
COMPLIMENTARY GIFT



# Making check-in a breeze

## THE OPPORTUNITY    THE INNOVATION

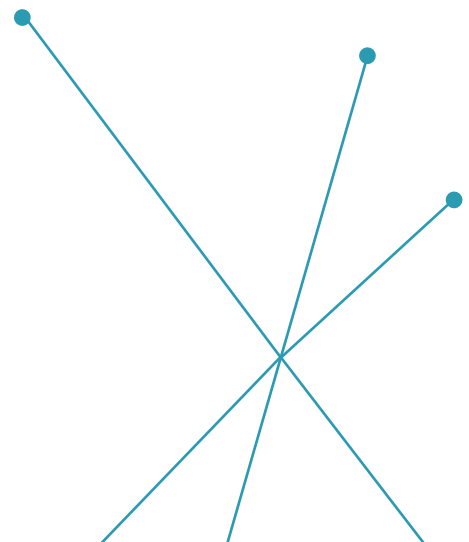
Create a more efficient and seamless check-in experience to help guests immediately start their vacation.

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After using the resort super-app to curate their journey, book a flight and hire a ride-share, the guests can expect an enhanced arrival experience. They'll automatically check-in, verify their digital identity and receive a hotel digital room key – eliminating the need to wait in check-in lines. Further, the resort operations team could have insight into the guest's pre-arrival preferences. For instance, their room is prepared exactly to their liking, which includes the ideal temperature setting, their preferred reading materials or movies and a stocked fridge with their favorite snacks and drinks. Within the resort ecosystem, a local merchant distributor stocks those items.

A VIP guest could even receive a wearable device in the form of a wristband, watch or ring. The wearable acts as a digital room key and identifier, which allows access across many resort experiences (discussed below). Beyond its functional purpose, a wearable could also create fashion opportunities. Visitors could choose between a few design options to coordinate with their preferred style.

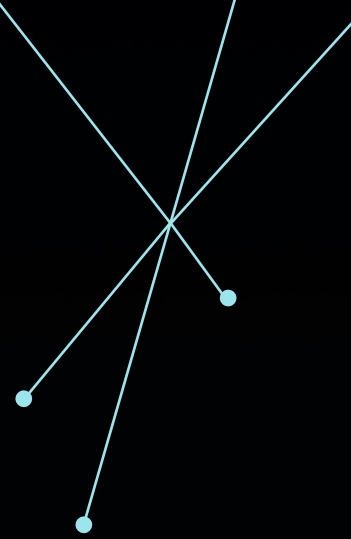
The wearable could also provide additional security protections. For instance, it could have voice activation through an assistant, and it could have advanced biometrics such as fingerprint scanning to confirm the guest identity and better secure transactions.



# Imagining a wearable for resorts

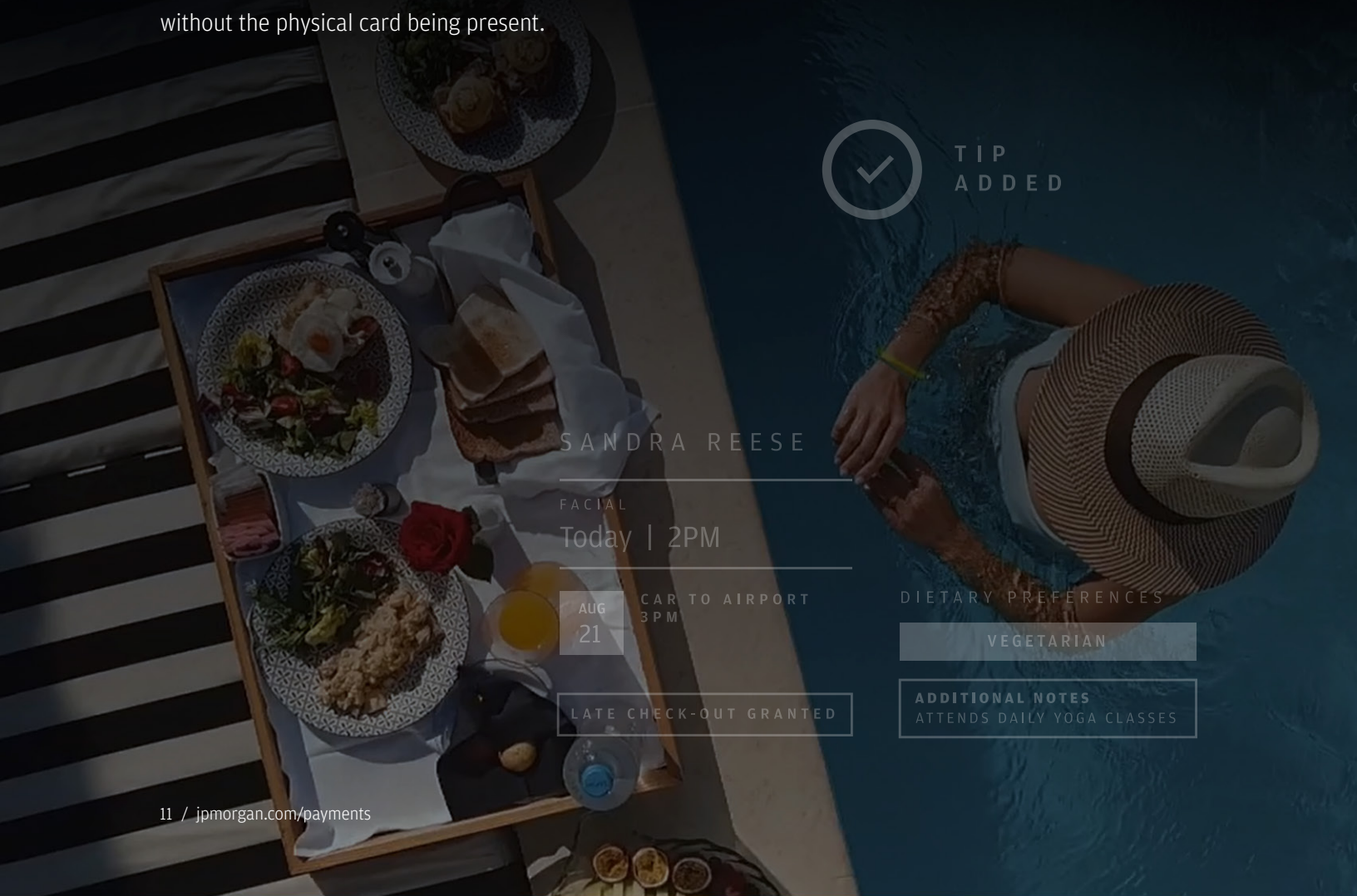


# The role of payments



Payments can support both check-in and wearable specifics. For instance, the super-app could allow users to instantly tip their valet and bellhops upon arrival. Within a digital wallet, users could have an embedded room key that allows them to skip the check-in line and immediately walk to their room. For the merchant distributors, **real-time-payment** capabilities can help to fund third-party **virtual accounts**.

Resort operators can help to ensure that these payments remain safe through **tokenization**, or substituting confidential cardholder data with alternative identifiers. Through tokenized wearables, a guest's payment card can synch multiple tokens that allow the wearable to act as an extension of the card without the physical card being present.



TIP  
ADDED

SANDRA REESE

FACIAL  
Today | 2PM

AUG  
21

CAR TO AIRPORT  
3PM

LATE CHECK-OUT GRANTED

DIETARY PREFERENCES

VEGETARIAN

ADDITIONAL NOTES  
ATTENDS DAILY YOGA CLASSES

# Living in the moment of each experience

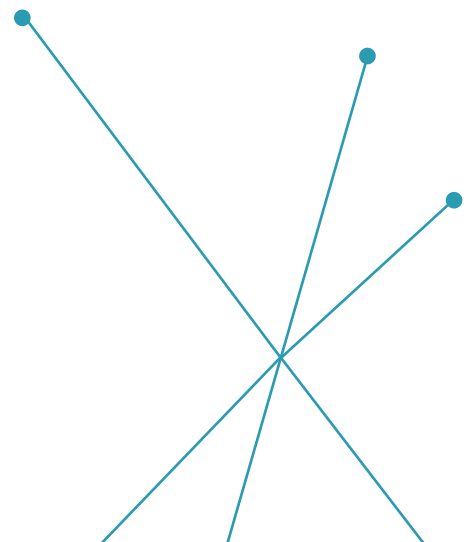
## THE OPPORTUNITY    THE INNOVATION

Allow guests to better live in the moment to maximize their vacation experience.

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After the guests have checked into their suites, they could leave their phone and wallet in the room – enabling them to live in the moment while still fully transacting across the entire resort. These resort experiences include high-end stores, pools, spas, golf courses, bars, nightclubs, museums and art collections. Through both a breadth of experiences and seamless connections within and across each one, resort operators can attract a wider range of customers and expand the resort’s appeal to gamers and non-gamers alike.

Since digital technology has already personalized the pre-arrival and hotel check-in, it can now also customize experiences as they’re happening. For example, the resort will know that it’s one of the guest’s birthdays, and the technology could send the group a reward notification for a free spa treatment or VIP dinner – granting access upon scanning a wearable. The guests could then book a golf session for the next morning with a swipe or through voice command. They could even receive a special discount on resort merchandise or get a ‘buy one, get one free’ offer on golf ball sleeves.



# The role of payments

Payments technology can provide additional data to enhance customized recommendations. Resort operators could analyze a guest's in-resort transactions across various boutique stores and merchants to deliver personalized offers based on consumers who made similar purchases (or the guest's own historical purchases). They also could analyze previous visitor data in aggregate to identify patterns that deliver unexpected guest incentives that benefit the resort, merchant and customer.

These events also spotlight [how embedded payments](#) can serve as the backbone to contextual experiences. With so many opportunities, resort owners have a large degree of creative freedom to use embedded payments in support of frictionless experiences across various personalized offers, discounts and complimentary rewards through loyalty programs. And the more that the resort drives super-app, wearables or digital wallet usage with its guests, the stronger the network effects of the marketplace for both buyers and sellers. Third-party vendors also benefit from increased usage because of a more seamless and beneficial experience to onboard and use [virtual accounts](#) on their platform.

VIP STATUS



FUNDS REMAINING



IDENTITY  
VERIFIED

REGISTERED PLAYER

POKER TOURNAMENT

11/02

CARLA DELGADO

DATES OF STAY

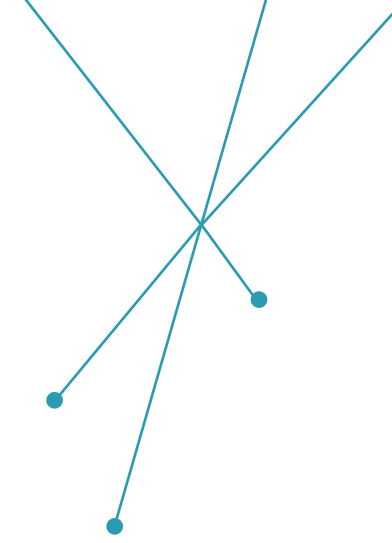
OCT  
31

NOV  
04

FROM  
NEW YORK

TOTAL VISITS  
8

# Creating the hybrid gaming future



## THE OPPORTUNITY    THE INNOVATION

Create high-value hybrid opportunities that blend the best of digital and in-person experiences.

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The guests proceed to the casino to utilize the resort's wide array of gaming options. Upon arrival, they are informed that any game can be played without the need for cash or chips. The guests sit at a table, and after a few taps on their super-app or wearable, they have the necessary funds to begin playing. Regardless of their demographic or experience level, the wearable eliminates the security risk of carrying excessive amounts of cash, which enhances the guest experience.

The industry is attempting to converge the physical and digital world, which may create a true omnichannel experience. Guests could choose how and where they want to play – from sitting on their couch and placing a sports bet to travelling into a resort destination. These proposed solutions would allow the guest to easily access digital funds for any scenario.

These hybrid experiences can become even more innovative with time. For instance, robots and holograms are already dealing cards in some casinos, and robotic security officers are helping to maintain a safer casino floor. These robots can be equipped with facial-recognition technology to recognize guests, and they can operate at any time and in any language without the potential for errors. Other forms of virtual and augmented reality (including the metaverse) could further enhance these experiences.



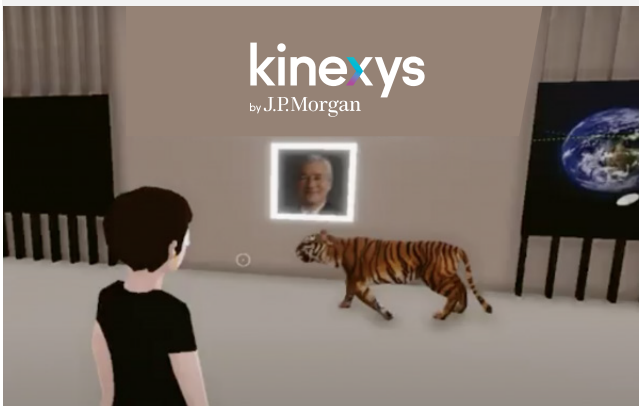


## GAMING IN THE METAVERSE

Providing a bridge between the physical and online worlds will become even more important with the growth of the metaverse: A hyper-realistic virtual world accessed through artificial reality (AR) or virtual reality (VR) headsets. Every year, \$54 billion **is spent** on virtual goods,<sup>9</sup> and in-game ad spending is set to reach \$18.41 billion by 2027.<sup>10</sup>

A metaverse-based casino could be similar to a traditional resort. Players could participate from the comfort of their home via an avatar while retaining the social experiences that come with gaming in a group. Users could experience live interactions with dealers, slot machines, table games and sports wagering and viewing. Decentraland, which is one of the most popular metaverse platforms, already has a virtual casino dedicated to poker, and accounts for almost a third of total traffic in this virtual world.<sup>11</sup>

Payments in the metaverse could be in digital currency, which can then be converted to fiat currency, or to funds that could be used in a brick-and-mortar casino. While it is unlikely that virtual casinos will replace physical ones, they will be an attractive and complementary option for guests, who may want more interaction than with a typical online gambling experience.



EVERY YEAR,

**\$54<sup>B</sup>**

IS SPENT ON  
VIRTUAL GOODS<sup>9</sup>

# The role of payments

There are multiple opportunities for payments to enhance the resort gaming experience. They can provide guard rails to help keep gaming safe. Real-time payments can allow users to immediately fund their experience, and resorts can implement **security controls** that limit a user's maximum amount of funds. These limits could be critical to support responsible gaming.

## 82%

OF PAST-YEAR GAMBLERS (AND **92% OF PAST-YEAR SPORTS BETTORS**) RECALL SEEING OR HEARING ABOUT RESPONSIBLE GAMING IN THE PAST YEAR.<sup>12</sup>

## 73%

OF PAST-YEAR GAMBLERS (**82% OF PAST-YEAR SPORTS BETTORS**) VIEW THOSE TOOLS AS EFFECTIVE.<sup>13</sup>





# What's next

Digitalization and contextual experiences have the potential to help transform the resort, gaming and entertainment ecosystem. Casino operators can engage guests in new ways, such as increased loyalty, and with high-quality marketplace sellers to deliver on both gaming and non-gaming needs. Since payments can support these digital innovations, we believe it's essential for resort operators to think comprehensively and end-to-end across the entire payments ecosystem for their guests, merchant partners and their own operations.

At J.P. Morgan Payments, we offer a comprehensive, end-to-end set of solutions and technologies across [payments](#), payouts, [liquidity](#) and [treasury](#). We partner with many of the leading marketplaces globally who are driving some of the most ambitious innovation agendas in the market.

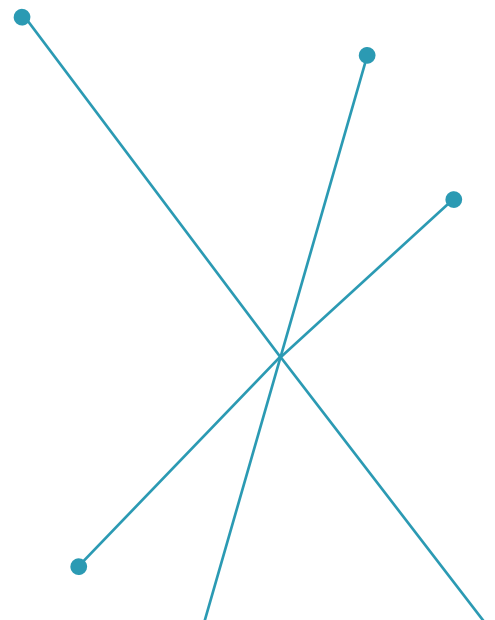
Companies work with us because of our aim to be the most trusted innovator and financial ecosystem provider in the world. We help companies meet the evolving needs of their customers by providing seamless and secure payments solutions that allow them to pay anyone, from anywhere, at any time while co-innovating and collaborating to unlock value at every stage of growth. Importantly, we don't just build for today; we develop and advocate for next-generation payments so our clients can continue to grow their business, diversify and thrive tomorrow.



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Executive, J.P. Morgan  
Payments



- 1 McKinsey, October 2020. 'As restrictions lifted, people flocked back to brick-and-mortar resorts, but visitors now expect many of the digital experiences in which they'd become accustomed.' Available at: <https://www.mckinsey.com/capabilities/strategy-and-corporate-finance/our-insights/how-covid-19-has-pushed-companies-over-the-technology-tipping-point-and-transformed-business-forever>. Accessed October 2022.
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- 12 AGA, September 2022. 'American Attitudes on Casino Gaming 2022.' Available at: <https://www.americangaming.org/resources/american-attitudes-on-casino-gaming-2022/>. Accessed October 2022.
- 13 AGA, September 2022. 'American Attitudes on Casino Gaming 2022.' Available at: <https://www.americangaming.org/resources/american-attitudes-on-casino-gaming-2022/>. Accessed October 2022.

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