SYNTRII PERSPECTIVE · COMMERCIAL STRATEGY

The Missing *Decision.*

Why business strategy, technology strategy, and customer strategy must be one discipline in gaming.

MD

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PUBLISHED

August 2026

READING TIME

14 min

AUDIENCE

Board · CEO · Sponsor

IN THIS PAPER

A value driver tree, read against the way operators actually decide — and what it costs when commercial, technology, and customer strategy are three decisions instead of one.

HEADLINE FINDING

01 The disconnect between business, technology, and customer strategy is not an execution problem. It is a governance problem.

02 Three functions each manage a third of the same value creation engine, and often no single owner is accountable for whether the whole engine works.

03 Run through a standard casino value driver tree, the pattern is consistent: wherever the three are decided separately, value leaks.

EXECUTIVE SUMMARY

Three decisions about *one system.*

Gaming and hospitality operators are under pressure on every side at once. Compliance costs are climbing. Loyalty programs that once drove visitation have gone stale. Regulatory reform is forcing the entire sector onto new digital infrastructure on a timeline operators did not choose. And with gaming revenue increasingly volatile, revenue diversification has moved from a nice-to-have to a board-level imperative. None of these pressures can be solved by one function acting alone.

The disconnect between business strategy, technology strategy, and customer strategy in gaming is not primarily an execution problem. It is a *governance* problem. Three functions — commercial leadership, technology, and customer/marketing — are each managing a third of the same value creation engine, and often, no single owner is accountable for whether the whole engine works.

This paper uses a standard casino operations value driver tree — the framework operators and their financial sponsors already use to evaluate performance — to trace exactly where that value leaks. Run through each top-level lever, the pattern is consistent: wherever business, technology, and customer strategy are decided separately, value leaks. What follows draws on direct observation from our work with operators, asset owners, technology vendors, and regulators across mature and emerging gaming markets globally — on what closing that gap requires in practice, and what becomes possible once it is closed.

01 THE PRESSURE OPERATORS ARE UNDER

Five pressures, arriving *at once.*

Five pressures are converging on owner/operators at the same time, and each one raises the cost of running business, technology, and customer strategy as separate decisions.

01

Compliance costs are climbing.

AML/KYC, responsible gambling, and data privacy obligations are expanding faster than most legacy technology estates can absorb, turning compliance from a fixed cost into a rising one.

02

Loyalty has gone stale.

Programs built on transaction-based points and tiers no longer move visitation or spend the way they once did, and rebuilding them requires the same real-time data most operators' technology strategy was never designed to deliver.

03

Regulatory reform is forcing the issue.

Cashless and digital-infrastructure mandates are moving technology modernisation from a discretionary roadmap item to a compliance deadline — on a timetable set by regulators, not by IT's replacement cycle.

04 Revenue diversification is now critical.

Gaming revenue alone is more volatile and harder to grow than it once was, pushing operators toward non-gaming revenue, digital channels, and new commercial models — each of which depends on the same technology foundation being fit for purpose.

05 Pure-online competitors carry none of the physical cost base.

Online-only sports betting apps, offshore casino platforms, and iGaming operators compete for the same discretionary entertainment spend with no venue, no cage, and none of the legacy compliance and technology overhead a physical or hybrid resort carries. Every point of technology and customer-experience advantage they hold is structural, not tactical — it comes from a fundamentally lighter cost base, not simply a better app. Getting the five levers right stops being only a value-protection exercise once a meaningful share of the wallet is available at a phone's reach from a competitor unencumbered by any of them; increasingly, it is the competitive response itself.

Operators who are managing well through this environment are not simply the ones with the best technology or the best balance sheet. They are the ones who can genuinely link enterprise strategy to customer strategy to a dynamic technology environment capable of real-time decision-making — and who can point to a return on that investment that management is willing to back.

02 THE REAL PROBLEM

Three decisions that are *not independent.*

Most gaming operators run a variant of the same operating model. Commercial strategy is set at the leadership or board level, often with input from a consultancy. Technology strategy is executed separately, by an IT function that inherits a roadmap largely defined by incumbent gaming-management, loyalty, and payments vendors. Customer experience sits with marketing, who build campaigns and loyalty mechanics within whatever the technology stack happens to allow.

Each function has good reasons for the choices it makes on its own terms. The problem is not incompetence in any one silo — it is that the three decisions are not actually independent. A technology choice determines what data marketing can act on and how quickly. A commercial pricing decision determines what the loyalty platform needs to be able to do in real time. A customer experience commitment determines what the compliance architecture has to support. These are not three sequential handoffs; they are three mutually determining decisions about the same system.

When they are made in isolation — usually on three different timelines, by three different owners, evaluated against three different sets of criteria — the strategy that gets approved in the boardroom and the experience the customer actually receives on the floor are rarely the same thing. Something is lost in every handoff.

03 THE VALUE DRIVER TREE

Where the value *actually leaks.*

WHY IT MATTERS

The value driver tree is the standard architecture used to evaluate a casino operator's performance — the same lens a financial sponsor would apply in diligence. It holds up as a basis for this argument precisely because it is strategy-agnostic: it does not assume any particular technology or operating model, only that revenue, cost, capital efficiency, growth, and regulatory integrity are the things that ultimately matter.

Mapping the business/technology/customer disconnect onto each top-level lever makes the cost of fragmentation concrete:

FIGURE 01 · STANDARD CASINO VALUE DRIVER TREE, READ AGAINST THE DISCONNECT

LEVER	SUB-LEVERS	WHERE THE DISCONNECT SHOWS UP
Maximise revenue	Gaming revenue; non-gaming revenue; digital/omnichannel; player development & loyalty; pricing & yield management	Loyalty and pricing decisions depend on real-time player data. When technology strategy is set independently of commercial strategy, marketing optimises on stale, partial, or reconciled-after-the-fact data — and yield management becomes a monthly report instead of a live lever.
Minimise costs	Labour efficiency; comp-to-theo ratio; procurement; facilities & utilities; technology/systems cost	Comp-to-theo discipline and technology cost are the same problem viewed from two departments. Systems bought to satisfy an IT roadmap, rather than a commercial return model, become a permanent cost base that competes with — rather than funds — the marketing spend it was meant to support.
Capital efficiency	Maintenance vs. growth capex; gaming equipment ROI; floor productivity; working capital; ROIC / FCF conversion	Technology capex is typically underwritten against IT criteria (uptime, vendor support, compliance minimums) rather than the same ROIC model applied to gaming equipment or floor space. Capital gets allocated to the system that is easiest to justify to IT, not the one with the highest return to the business.
Growth / portfolio expansion	New market entry; M&A / asset acquisition; digital expansion; adjacent verticals; loyalty network expansion	Digital and cross-property loyalty expansion routinely stall for years, not because the commercial opportunity is unclear, but because the underlying technology was never designed with expansion as an input. Every new market or vertical becomes a fresh integration project instead of a configuration of an existing foundation.
Regulatory & licence integrity	Licence compliance & renewal; AML/KYC; responsible gambling; data privacy & cybersecurity; reputational risk	Compliance is frequently treated as a feature bolted onto a technology platform after the fact, rather than a design constraint shared by commercial, customer, and technology strategy from the outset. That sequencing is what turns a regulatory requirement into a recurring remediation cost — and, at the extreme, a licence-risk event.

The pattern across all five levers is the same: none of these are technology problems or commercial problems in isolation. Each is a coordination failure between decisions that were never designed to be made together — and each shows up as a specific, measurable erosion of a lever the operator (and its owners) are already tracking.

THE SCALE OF IT

This is not *theoretical.*

Independent data shows each of these erosion points at work across mature gaming markets, not just inside any one operator or jurisdiction.

FIGURE	WHAT IT SHOWS
40%+	of NSW club revenue derives from EGMs — the revenue concentration a fragmented loyalty and pricing model leaves exposed to every reform cycle. *NSW Auditor-General, Regulation of Gaming Machines, June 2025.*
75%+	of Gen Z and Millennials say a high-quality digital experience is essential to a loyalty programme, and are more than twice as likely to switch if digital expectations aren't met — exactly the cohort a purely digital competitor is built to win. *Deloitte Consumer Loyalty Survey, 2025.*
900+	Australian clubs have closed or amalgamated since 2000, concentrated among gaming-dependent smaller venues — the capital-destruction end of failing to diversify the growth base in time. *IBISWorld, June 2025.*
82%	of Macau's recurrent government revenue still came from casino tax receipts in 2023–24 — a decade into a diversification mandate that has required the territory's six concessionaires to commit MOP118.8 billion (~US$14.8 billion) to non-gaming investment. Diversification pressure and diversification execution are two different problems. *Macau fiscal study, cited via AGB, January 2026.*
$6.3bn	Apollo Funds' 2025 acquisition of IGT's Global Gaming and PlayDigital business and Everi — one of several recent deals in which institutional capital bought gaming technology platforms directly rather than the operators that use them. *KPMG, Travel, Leisure & Hospitality M&A Trends, February 2026.*
46.3%	of total travel, leisure and hospitality M&A deal value in H2 2025 came from private-equity-backed deals, with strategic buyers' share of deal value up 146.8% year-on-year — which makes the disconnect a portfolio-level governance question, not only an operator-level one. *KPMG, February 2026.*

None of these figures is specific to any one operator, jurisdiction, or ownership structure. They describe the same pattern showing up at club, integrated-resort, and fund-portfolio scale — which is exactly what makes closing the disconnect a problem for leadership to solve, not an implementation detail to delegate downward.

04 WHY THIS KEEPS HAPPENING

Structural reasons, *not ignorance.*

The disconnect persists for structural reasons on both sides of the business, not because operators are unaware of it.

01

Procurement-led technology selection.

Technology decisions are frequently run as a vendor RFP process owned by IT and procurement, evaluated on cost, uptime, and support terms — criteria that say nothing about whether the platform can execute the commercial strategy it will be asked to serve.

02

IT risk-aversion and legacy lock-in.

Long-lived gaming management and loyalty systems are expensive and disruptive to replace, so technology strategy defaults to incremental extension of the incumbent, regardless of whether the incumbent's roadmap matches the operator's commercial ambitions.

03

Budget cycles that separate capex from commercial planning.

Technology capex is typically approved against an IT business case with its own return criteria, disconnected from the EBITDA model the commercial team is held to.

04

Value creation plans built for cost, not platform.

Within a typical ownership hold period, value creation plans are underwritten around cost-out and multiple expansion; platform investment that pays back over several years competes poorly against actions with a faster, more certain return — even when the platform investment is the one protecting the exit multiple.

05

M&A integration that inherits systems rather than re-architects them.

Roll-up strategies, common in the sector's current consolidation wave, typically bolt an acquired asset's technology and loyalty stack onto the existing platform rather than redesigning the combined operating model — compounding the disconnect with every add-on acquisition.

06

No single owner of the connection.

Commercial leadership owns the strategy, IT owns the platform, marketing owns the experience — and nobody owns whether the three are actually the same decision.

05 WHAT OPERATORS SHOULD BE ASKING

Six questions, *answered honestly.*

These six are not optional questions to get around to eventually. Answered honestly, they are the fastest way to find out whether business, technology, and customer strategy are being run as one decision or three — and each maps to a lever already costing the business revenue, capital, cost, licence risk, or growth.

01

A commercial strategy built without real-time customer data is a guess dressed up as a plan.

Do we have the data and the platform to turn a strategy into a personalised offer this quarter — or are we approving strategies our systems cannot actually execute? **Protects · maximise revenue.**

02

Growing a multi-venue, physical-and-digital asset on the wrong technology stack is capital destruction with a delay built in.

Have we genuinely tested the optimum stack, the right sourcing model, and the commercial return we expect — or are we defaulting to what we already own? **Protects · capital efficiency.**

03

A member who gets a different experience depending on the venue, channel, or system they touch is not experiencing one brand — they are experiencing three.

Are we running a genuinely horizontal member experience, or a patchwork that only looks unified from the boardroom? **Protects · minimise costs.**

04

Compliance a member cannot see is not trust — it is paperwork.

Was ours designed as a visible, trusted feature of the member experience from the outset, or is it being bolted on after the commercial and technology decisions are already locked in? **Protects · regulatory & licence integrity.**

05

An expansion that needs a new identity, a new integration, and a new data set built from scratch is not growth — it is another silo.

Could a new property, market or vertical plug into a single view of the member tomorrow, or would we be starting over? **Protects · growth / portfolio expansion.**

06 **Growth built only on increasing average spend or visit frequency is optimisation, not diversification.**

Have we genuinely explored new revenue diversification opportunities — new non-gaming products, monetising data, partnering across the value chain to create new assets and revenue lines — or is “growth” still code for squeezing more out of the same customers? **Protects · augmented growth.**

Each of these six maps to a lever already named in this paper, and each is a proxy for a specific consequence if it cannot be answered: revenue quietly lost to slow, un-personalised execution; capital allocated to the easiest business case rather than the best one; cost duplicated across systems nobody owns end-to-end; compliance obligations retrofitted under time pressure with the licence-risk exposure that follows; growth that stalls at the first integration project; or an organisation that simply runs its existing asset harder instead of building a new one.

An organisation that can answer all six with confidence has, in effect, already solved the disconnect this paper describes and started building what comes after it — regardless of which vendors or systems it uses. Most cannot yet answer all six. That gap is exactly where the argument of this paper bites.

◆ FOR A FINANCIAL SPONSOR

A diligence question, *not a governance nicety.*

FOR AN OWNER UNDERWRITING A VALUE CREATION PLAN

> These six questions belong in the same conversation as EBITDA quality and add-back scrutiny. A commercial strategy that cannot be executed on the current technology within a quarter is a value creation plan with an unbudgeted capex line already inside it. A technology roadmap without a named commercial return is capital at risk of being stranded in a platform nobody underwrote a return on. A disconnect surfaced in commercial and technology diligence, run jointly rather than as two separate workstreams, is priced into the deal; the same disconnect discovered after close shows up instead as a 100-day-plan surprise, usually at a worse *price.*

This is also a portfolio question, not only a single-asset one. An owner running a growth strategy through acquisition inherits this disconnect anew with every add-on, unless the platform is deliberately re-architected rather than simply extended — which means the cost of the disconnect compounds fastest for exactly the growth strategies now most common in the sector.

06 BEYOND THE FIVE LEVERS

What operators *build next.*

An operator that has closed the disconnect across all five levers has solved a different problem from the one it now faces. Closing the gap stops value leaking; on its own, it does not create new value. Once technology, customer, and commercial strategy operate as one decision, the more interesting question becomes what can now be built that could not be built before.

For operators who reach this point, the opportunity tends to sit in five areas — precisely because they now have one integrated foundation to build on, rather than three disconnected systems to work around.

i

New revenue models

Subscriptions and other recurring revenue structures that no longer depend on gaming spend to grow.

ii

New assets

Digital infrastructure — identity, loyalty data, member relationships — that has value in its own right, not only as a cost centre to be minimised.

iii

Partnership networks

Extending the operator's reach into adjacent categories and third-party ecosystems without new venues or new capital expenditure.

iv

Deal structures

Ensuring the operator, rather than a vendor or intermediary, retains the value created by these new revenue lines.

v

New data and intelligence models

Aggregated, properly consented player-behaviour and market intelligence has value to lenders, insurers, and other operators making capital allocation decisions across the sector — provided the commercial and legal structure for sharing it is built deliberately rather than assumed.

This is also where the pressure described in Section 01 turns from a threat into an opportunity. Regulatory reform that forces new digital infrastructure becomes, once built, an asset that supports new commercial models — not only a compliance cost to be absorbed. Revenue diversification, once it exists as infrastructure rather than a line in a board pack, compounds. The operators who get here first will not be the ones with the best technology. They will be the ones who treated strategy, technology, and customer experience as one decision for long enough to have something worth compounding.

07 WHO OWNS THE CONNECTION

Owned, *not coordinated.*

Everything above depends on this point, so it belongs on its own rather than filed under a closing thought. This paper has argued for closing a gap, not for appointing one person to own everything. Commercial, technology, and customer functions will and should continue to exist as distinct disciplines with distinct expertise — collapsing them into a single role trades one risk for another, less legible one.

Coordination mechanisms — steering committees, joint roadmaps, shared metrics — are necessary, but they are a symptom being managed, not a cure, if nobody is actually accountable for the single outcome all three functions jointly produce. The operators who close the gap are not the ones who have found the right cadence of meetings. They are the ones who have made the connection between strategy, technology, and customer experience someone's job to own end to end — with the authority, budget, and consequences that come with owning an outcome, not just a function.

> ***The model works when the connection is owned — not coordinated.***
>
> · THE THESIS IN ONE LINE

WHY SYNTRII

Syntrii is the only gaming-specific operating partner combining commercial strategy, customer experience, and technology as a single, integrated decision — not three separate disciplines handled by three separate parties. It is this structural model, not a platform or an advisory service alone, that allows an operator to close the disconnect described in this *paper.*

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