



Must Be Present To Win

No industry relies on promotions to drive customer traffic quite like the gaming industry. Casino operators love to conduct promotions. In fact, in many gaming operations, the primary role of casino marketing is perceived as that of designing and implementing promotions.

Casino promotions take all shapes and sizes and run the gamut from frequent “hot-seat” promotions, in which players are selected from the casino floor and awarded a modest prize for playing slot machines, to large-scale drawings for cash, cars and even houses. For the latter, many casinos attach the caveat, “must be present to win” to their list of rules. Virtually all casino operators who employ this rule have, at one time or another, heard complaints from both customers and employees over this requirement. This article explores the pros and cons of requiring customers’ presence at drawings and how casino operators can design promotions that best meet the needs of their market.

Bring In the Guests

Traditional drawing drum promotions that require winners be present to win usually succeed in filling the casino with people. Unfortunately, many of those people sit at slot machines, stand in aisle ways, or crowd around the drawing drum. Most of those people do not play slots prior to, during or after the drawing is completed. Worse, as soon as the drawing is over, there is a mad exodus for the parking lot and in a short time the casino is nearly empty. Regardless, many casinos impose this rule with the hope of earning some amount of incremental gaming revenue. What these operators do not realize is that activity is not necessarily a measure of profitability.

There are certainly a number of benefits associated with requiring customers to be present for drawings. It guarantees a visit from interested customers on the day of the event. It can be scheduled on a traditionally soft day of the week or at the end of the month. It also creates a mini-event that imparts a certain degree of excitement. Requiring that customers be present to win solves other problems for the casino marketer. Often tribal gaming commissions require that the casino guarantee that all prizes be given away. If a drawing takes place and the customer is not present to claim his/her prize, there is the possibility that the prize may not be claimed and the drawing would have to be repeated on another day.

Best of all, there is usually an increase in handle on the day of the event. However, rarely does this increase in handle cover the cost of increased staffing in such departments as slots, public areas, security, surveillance and casino

marketing, much less cover the cost of the premiums that are given away.

There are also significant drawbacks when the “must be present to win” policy is applied for all promotions. Often the promotions manager must draw multiple names before a winner is recognized. This can sometimes take hours and turns a casino event into a non-event. Requiring customers to be present discriminates against large portions of the casino’s database, many of whom are the casino’s most profitable customers. Loyalists often forego a visit to a casino if there is a drawing because they know the place will be too crowded and they will not be comfortable. Other frequent players may be unable to attend a drawing because of work or family commitments. Worse, drawing the name of a loyal, high-frequency, premium player who was unable to attend that evening is a surefire way to lose a great customer.

On its broadest level, customers visit a casino because of the entertainment value that they receive. Each customer has a gaming budget and a need for entertainment which they receive through the act of gambling. They visit a particular casino because that property fulfills their needs. Imposing a requirement that the winner must be present to win forces customers to return to the casino for an anomalous reason. They are not visiting to gamble; they are not visiting to relax or for any of the other reasons that they would normally choose to visit a casino. They are only coming to see if they won something. That is why casinos always empty out after the drawing is over. The drawing creates a reason to visit that is inconsistent with customers’ normal playing behavior.

Establish Goals

The single biggest mistake a casino marketer can do is to design a promotion without clearly defined goals. However, in most casinos, delineating realistic goals is more often the exception rather than the norm. Is the goal to reward frequent loyal play? Is the goal to encourage repeat visitation during the promotional period? Is it to bonus high coin handle? If so, there may be more appropriate promotions than one that concludes with a large drawing that requires the customer to be present.

Conversely, there are certain goals that stand a greater chance of being achieved by insisting that the winner be present. Suppose the casino wants to extend the length of time people remain on property after a special event such as Super Bowl. A drawing, held two hours after the end of the game, would clearly fulfill that goal.

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Build Promotions Around the Customer First, Your Needs Second

As a general rule, putting the customer first will yield the best and most consistent long-term results. That rule should also apply to promotions. Even though the casino typically is the initiator of promotions, the test should always be the same: does the promotion make the customers happy? Does it make them want to return? Does it make them want to recommend the casino to a friend?

So what do customers want? Customers like promotions that give them a better chance to win something extra. What they do not like is to be forced into a behavior or visitation pattern that is different from what they are used to. Antagonism, created by a promotion that forces

customers to do something that they do not want to do, is a silent killer that breeds discontent over time.

Develop your promotions as if your customers were in the marketing meeting when the promotion was being conceived. Ultimately it is up to each casino operator to develop their own promotions strategies. The best promotions strategy is one that consistently meets the needs and expectations of the casino's customers. The casino operator should ask what it is that their best customers want in their promotions and balance those needs with the needs of the business. ♣

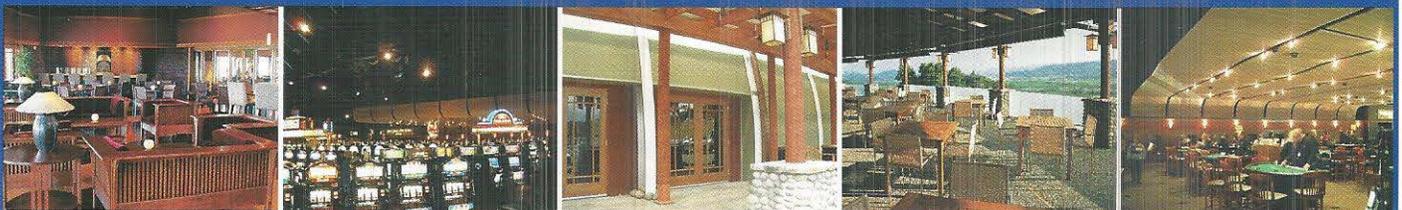
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