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First, Get the Product Right

Marketing is a process. Marketing begins with “product marketing” – a process of conceptualizing, aligning, and delivering products that meet or exceed consumer needs, wants, and expectations at a price that creates a value. If there is unutilized capacity, then it is filled via “demand marketing” programs – a constant stream of motivators that are packaged and delivered to motivate first time visits among the uninitiated or additional repeat visits among experienced, existing players. Demand marketing is comprised of cash mailers, promotions, two for one meal coupons and other offers that attempt to increase traffic into a casino during midweek and daytime periods.

Casino marketers are often forced to turn to demand marketing prematurely when the package of gaming and entertainment amenities is insufficient to stimulate consumers to visit the property. In other words, the sum total of products that the casino has to offer is not, in and of themselves, sufficient to attract people. Before a casino turns to demand marketing, it must first make sure that its products are aligned with the market. It must first make sure that the products are right.

While every gaming market is unique, there is a growing body of research that indicates gaming customers have certain common wants and needs. Before a tribe allocates scarce resources to stimulate demand, it will be better served by first making sure the casino’s products match the needs of its customers.

Get the Building Right

In the initial rush to open gaming facilities and generate cash flow, many tribes built gaming properties in temporary structures. While these buildings were necessary in order to meet the short-term business needs of the tribe, they rarely have a place in a long-term business strategy and they leave the operator vulnerable to new competitors. A temporary structure is just that: temporary, and must ultimately be replaced by a permanent facility that is master-planned for future growth.

Get the Slot Product Right

Slots are the economic engine that drives gaming operations. While most casinos open with new equipment, many fail to add and replace machines in order to meet changing consumer preferences. As slot manufacturers shift to branded, themed game titles and introduce those new games with increasing frequency, those casinos that are able to offer the most new game titles have a significant competitive advantage over those casinos that do not have the capital allocated to replace their games frequently. It is

incumbent upon the leaders of the tribe to allocate sufficient capital each and every year to keep the slot floor fresh and alive. At the very least the tribe should plan on replacing 20% of its equipment each year.

Get the Technologies Right

New technologies have the ability to enhance the gaming experience. Over the past three years, casinos have introduced ticket-in/ticket-out technologies (TITO) in a number of jurisdictions. In every market in the United States in which TITO was introduced, customers have lauded this new technology and prefer it over traditional hopper systems. They also prefer those casinos that are 100% TITO. With the advent of so-called “video multiplier” games in which customers wager large amounts of low denomination coins, the importance of TITO increases. Customers will seek out those gaming properties that offer this convenience and will shift their loyalties for this convenience driven technology. Casinos in turn have witnessed significant increases in revenue when TITO is introduced.

Get the Parking Right

Customers greatly prefer to park their cars in clean, well lit garages over surface parking areas. Moreover, they prefer those garages that employ so-called high speed ramps in which patrons travel up and down dedicated travel lanes that are not encumbered by cars backing out. While some gaming operators feel that surface parking, coupled with shuttle buses, are a sufficient alternative, gaming customers prefer to park their cars in garages and will favor one casino over another if that amenity is available.

Get the Food Product Right

Food is a critical component of the gaming/entertainment experience. For many casino customers, dining is the reason they use to visit a casino. For the gaming operator, dining is often used as a reward for loyal play. If the dining experience is uneventful or worse, inferior to those dining experiences that consumers can get in free-standing dining operations, then the casino has failed to use its restaurant products effectively. Getting the food right is one of the toughest challenges for any gaming operator. However, it remains one of the most important components of the gaming/entertainment experience.

Get the Customers a Drink

While it is beyond the scope of this article to discuss the myriad issues that revolve around the sale of alcohol on tribal

land, the fact remains that most customers who gamble prefer to do so with an alcoholic beverage in their hand. Those casinos that are able to offer their customers alcoholic beverages as part of the gaming/entertainment experience are at a distinct advantage over those who do not.

Get the Hotel Product Right

Hotel rooms allow the casino to extend their marketing reach outside the local and drive-in markets and attract customers with higher gaming budgets who reside further away. However, the expectations of overnight gaming customers are greater than transient lodgers. Thus, it is important that the casino operator allocate sufficient capital to develop and maintain a hotel product that meets the expectations of gaming customers. Budget accommodations or partnerships with nearby operators do not meet those expectations.

The marketing of lodging facilities has allowed markets such as Tunica and Shreveport to extend their reach outside of traditional drive-in rings into outlying areas such as Oklahoma, Texas and Arkansas. Conversely, a casino with-

out a hotel is at a distinct disadvantage since it is solely reliant on local and drive-in day gamers.

Once the casino has assembled and delivered the right mix of products to meet the wants and needs of its customers, it must effectively communicate the benefits of those products to its various market segments. After the market is made fully aware of the casino's products, the marketing team can then implement demand marketing programs in order to stimulate demand during off-peak periods. These include the discount coupons to the property's restaurants, cash mailers to the database and drawings for cash and prizes.

Demand marketing is a highly effective strategy but should only be implemented after the suite of gaming/entertainment products is developed and introduced to the market. In other words, before resorting to demand marketing, leadership has to get the casino's products right. ♣

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*— Stanley Crooks, Chairman
Shakopee Mdewakanton
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The Sovereign Nations Scholarship Fund was launched in 2001 with a challenge grant of \$900,000 from the Shakopee Mdewakanton Sioux Community of Minnesota. We are asking other tribes to contribute until the fund totals \$10 million.

By establishing the Fund, we hope to build an endowment that will help meet the higher education needs in Indian Country for generations to come, resulting in higher employment rates, increased incomes and a better quality of life in our communities.



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