CASINODesign 2011

THE MODERN GUEST ROOM
Amenities, Technology and Comfort

ORDINARY OR EXTRAORDINARY
The Casino Design Annual Experts' Q&A

ECONOMIES of SCALE

What do the $3 billion Cosmopolitan on the Las Vegas Strip and the $130 million expansion at the Casino del Sol in Tucson have in common? Maybe the future of casino design.

Vesper Room, Cosmopolitain of Las Vegas

Storage Wars

Data warehousing can sometimes hide solid information | by Joe Witterschein

The popularity of the new television reality series *Storage Wars* is somewhat confusing. But you have to admit it is gripping TV. What treasure or trash will they discover next while peering anxiously over the top of the cardboard boxes, deep into the abyss of some haphazardly strewn together and perhaps all-but-forgotten storage unit?

Could there be some vintage automobile lurking underneath that old carpeting remnant? Maybe an original copy of the Declaration of Independence framed over with a gaudy football superstar-in-action poster. Is that bamboo furniture tucked into the corner from the local low-end discount store or from the deck of FDR's private yacht? Only the bold and the brave need to venture into the storage unit hoping to separate the junk from the diamonds. For entertainment value, you know there will be a least a few nuggets among what people and time have long forgotten. A reward surely awaits those persistent few.

Picking Through Your Data

Note the similarity of these often-massive storage units, practically warehouses full of many decades worth of a pack rat's obsessive collection, and some ever-growing casino "data" warehouses. Trash or treasure, as it were. What is hidden, informa-

tion-value-wise, behind those zip codes and account numbers? How about all those promotional entry slips over in the corner—diamonds, maybe?

Perhaps it's time we all did a little house (data warehouse) cleaning. Why are so many casino properties resigned to just let their player tracking systems churn and grind, storing up years worth of accounts and activity only to be perhaps unaware that nuggets of great, useful—dare I say game-changing—information lies deep within?

The gaming industry has always been at the forefront of database marketing technology. Player tracking systems are commonplace in even the smallest operations, and the most sophisticated have multimillion-dollar databases with staffs of several people on board to maintain them. Every year, new, smarter versions of these tools are released.

One would feel safe in assuming that at this point you know everything that you need to know about all of your customers, and that you are utilizing that information to market to them as effectively as possible. Yet, as we conduct focus groups and talk to clients across the gaming spectrum, it becomes apparent that most are not measuring total customer value, in almost all cases.

Sure, for our top-tier players, we know their likes, dislikes, preferences and what kinds of offers that they respond to, but what about the $50 player? What about the $50 player who spends $300 per day on food and beverage? Are there F&B "high-rollers" who don't play in the casino at all?

Measuring total customer value allows us to know who our most loyal customers are and allows us to reciprocate that loyalty in the ways most meaningful to them. The obstacle to doing this effectively in most cases is that only the very best, and most expensive systems can combine and household the data from all of your disparate point-of-sale systems.

These systems are often cost-prohibitive for most Native American casinos. Without a centralized storage area for all of your data, answering questions like "How many players with an ADT (average daily total) of $200 or more and who spend $100 or more can I hope to bring in with an offer to stimulate gaming and F&B revenue on Wednesday nights?" can take days or even weeks when manipulat-ing the data manually. With the correct tools it can take minutes.

Tracking the Total

Let's take a look at a typical couple on a two-day trip. You can probably get them to sign up for your players club so tracking their play is a given. They are also staying in your hotel so we can add that revenue as well as anything they charge to their room to their total value. What about the round of golf and the money that was spent in the pro shop? How about spa treatments or tickets to a show? All of these outlets have electronic point-of-sale systems, so we know the data exists and most assume that it is being used for marketing. The simple truth is that in most cases, it is either not being used or it is being used ineffectively.

ADT will always be the most important single metric that we have in determining customer value. However, the more restaurants, theaters, showrooms,

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golf courses and hotels we build to attract gamers, the more light and/or non-gamers are coming through our doors. While many of these will develop into players over the long term, many simply will not. Chances are, if they have little or no interest in gambling but frequent a casino resort, they are fairly valuable customers, but this will not be reflected in their ADT.

It's no secret that utilizing this data can make your marketing dollars go a lot further. Better offer and comp segmentation can greatly increase the response rate to your monthly mail campaigns. You are better offer-tracking increases in revenue through less need for discounting. More personalized offers increase revenue to your non-gaming profit centers through preference-based packaging. Entertainment can be made more profitable by comping fewer tickets and replacing them with comps that are more valuable to a specific customer.

So, how does a casino that doesn't want to, or can't justify spending millions of dollars on one of the top-tier database solutions take full advantage of this data? They may be surprised to know that some outside marketing consultants can provide a system that meets their needs at a fraction of the cost of the premium system, through the use of cloud technology.

While it is still a substantial investment, the cost of creating a tool that aggregates all of the data on all of a casino resort's disparate point-of-sale systems and allows for on-the-fly custom reporting and list generation has come well within the range of the average gaming property.

Some key questions to ask in determining whether this investment is right for your operation:

• What do you currently offer as incentives to your players?
• How many types of comp and play offers are you sending each month?
• What is the response rate of your current mailings?
• Do you have the internal resources to effectively utilize this data once you have it?
• Do you think you have customers who are tracked across various retail systems but are hidden to non-existent on your player tracking scales?

The right consultant can help you answer these questions, assess your needs, and determine the best course of action to creating a more efficient and effective marketing effort; a clean, better working data warehouse as it were. Tools such as Facebook, Twitter and other online and website improvements are on the "must-have list" in responding to each of these questions.

So roll up the door to that storage shed and let us peer inside. As we peel back the leisure suits and disco posters, the lava lamps and the black velvet Elvis, we might just find your masterpiece, hidden in plain sight all along.

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