

# INNOVATION FOOD & BEVERAGE QUARTERLY NEWSLETTER



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## A CONVERSATION WITH PA SANDS ROBERT DESALVIO

*Innovation Food & Beverage's David Rittvo Interviews the President of Bethlehem, Pennsylvania's Sands Casino Resort*

As the first segment in a two-part series to explore casual dining and name brands in gaming F&B, Innovation's David Rittvo was pleased to have the opportunity to interview Robert DeSalvio, President of the recently-opened Sands Casino Resort in Bethlehem, Pennsylvania. Mr. DeSalvio was instrumental in solidifying both Emeril Lagasse and Carnegie Deli as signature offerings at the recently-opened Sands resort. During the interview, Mr. DeSalvio discussed recent consumer trends, the necessary decision-making process and marketing plans behind branding and celebrity chef programs, and various F&B-themed events being applied at the Sands property.

**RITTVO:** Prior to the recession, Innovation Food & Beverage had been tracking a consumer paradigm shift towards more casual dining experiences. While you were planning the resort, was this trend taken into consideration or was it natural fit to bring in more casual restaurants and concepts?

**DESALVIO:** It was a combination of both and we took the lead from our customers. Our customers tell us they want great quality, a reasonable price and strong brand association but certainly we also wanted to keep it approachable. When we thought about design, menu and implementation, all of that was taken into consideration. We did not want a stuffy atmosphere, but rather to create a fun, casual environment that had a very current design.

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## SOCIAL MEDIA: ARE YOU TAKING ADVANTAGE?

*From Facebook to Twitter, leading F&B owners are applying state-of-the-art tools to keep their facilities jumping despite the down market*

The global social media network is comprised of thousands of sites and millions of participants, looking to build online communities, voice their opinions, grow their networks, and communicate with people that share common interests and activities. The social media network is expanding and evolving every day, quickly establishing it as one of the most interesting and dynamic forms of entertainment made possible by our advancing digital world.

In the U.S. alone, 55.6 million consumers (approximately 1/3 of all American adults) say they visit a social networking site at least once a month. The surging participation levels in social media bring an unprecedented opportu-

nity to derive and share information with the global on-line audience, and not just on a personal or individual level. In fact, the majority of social media sites are also being utilized for commercial and business communication, with companies from nearly every industry - including F&B - using these sites to help improve their relationships with existing and future clients.

For these tech-savvy businesses, the interest in the on-line audience lies in much more than just promotion. The sites help spread information among a large amount of people and help obtain direct and honest feedback from the client base. This means that a strong social me-

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# SOCIAL MEDIA: IS YOUR PROPERTY TAKING ADVANTAGE?

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dia presence is a unique, cost-effective opportunity for a business to establish and build brand awareness, to monitor reputation and client feedback, and to engage the client base in the overall company experience. Somewhere along the line, the social media network has evolved to be an opportunity for social commerce, offering the world's largest (and free!) focus group and call list all wrapped up into one. At your fingertips is a global set of participants who not only want to share their opinions, but are begging to be engaged and entertained.

Knowing this, it shouldn't be surprising to anyone that the commercial potential of social media is of particular interest to many businesses that are already oriented toward social interaction and entertainment – including such industries and casinos, restaurants and night clubs. To date, global food and beverage operators are leading with the way with social media presence, with smaller operators only now beginning to follow in their footsteps.

Those who have jumped into the social media pool with success to date know that there are certain operating caveats to make the social media venture successful. This article will review those requirements and describe a number of useful ideas and strategies to apply them to food and beverage environments, including for those within larger gaming and entertainment destinations.

In today's economic environment, any cost-effective tool that allows for interaction with your customer base is worth a second look. While conventional media and advertising have their purpose, they are a static interaction that don't allow for immediate customer response. Social media tools, on the other hand, encourage dynamic, two-way communication between the business and the customer.

As more and more entertainment and hospitality operators are starting to emphasize this form of communication in their advertising and marketing plans, it is increasingly important that the food and beverage offerings at casinos and other destination properties also become integral components of the social networking hierarchy. The opportunity to obtain client feedback in this manner is too useful to ignore, and is sure to make social media advertising a cornerstone to casino and food and beverage marketing plans in the next 3-5 years.

With any shift or addition to advertising strategy, there are certain operating parameters that must be implemented to make the change successful. The first and most important rule of social media marketing is not to "oversell" to customers, but rather engage them in the conversation. In other words, the most effective social media marketing plans apply one simple

strategy to achieve success: if you focus on engaging the client rather than constantly just pitching to them, the interest, visitation and sales will likely follow.

The nuance between engagement and sales is an extremely important one, because customers have different expectations when it comes to the norms of interaction and social media. There is a fine line between outreach and "spam", with the former readily accepted and the latter no longer tolerated. So while casino restaurants and bars can offer free meals as a way to entice customers into the casino, the social marketing approach would take that a step further to reach out to its client base to share information and obtain feedback. For example, in lieu of just sending out a 10% off coupon, think about tweeting an offer to followers, asking them to participate in a wine tasting that will help determine an update to the menu. Such events help bring your patrons in the process, drive traffic to the property, and provide client product input all at the same time.

Granted, your list of "fans" and "followers" has to be built somehow (and on-line coupons or promotions can be a great way to do that), but sale messages can't be all you have to offer in the long-term. If your patrons are following you through social media, they want to be engaged, and if all they hear is sales pitch, they are sure to tune you out.

Social media participation is closely integrated with brand loyalty. The more loyal a customer is to your facility, the more likely they are to follow you on Facebook, Twitter or YouTube.

*"A strong social media presence is much more than promotion: it is a unique, cost-effective opportunity for a business to build brand awareness, monitor reputation and feedback and engage the client base in the overall company experience..."*

*"The more valuable and unique the initial messaging or offer, the more likely it is to go viral."*

The key, then, is to offer them information and other tools through the social media that will further reinforce that loyalty and continue to promote visitation. Exclusive offers (discounts, coupons, etc.), the opportunity to comment on potential menu offerings, cocktail recipes and early announcements about new appetizers are all tools that simultaneously share information and engage the customer. By soliciting feedback and asking questions, you will integrate your patrons with your brand identity and operational experience.

Building brand loyalty in the real world can translate into popularity in social networks, where additional and future customers can also be reached through viral communication channels.

### WHERE TO START: "THE BIG 3"

It was recently estimated that there are over 1 million social media sites, including blogs, networking websites and informational sites. If it seems overwhelming, it might be good to start with one or more of the current "big three"- Facebook, Twitter and YouTube. They are the most prominent and highly visited, utilize different means to disseminate information, which means they provide the best bang for the buck and strongest potential user access. Additional sites can and should be added through time.

Entire websites and books are dedicated to the subject of social media strategy (which we suggest you explore), and obviously they can't all be discussed in this article. We have included, however, several specific steps that restaurants and nightclubs considering a venture into social media

may wish to consider for the three referenced sites.

### FACEBOOK



Facebook is the most widely used social media site with over 400 million users worldwide. This site also allows some of the widest breath of information sharing, from limited use updates to pictures and videos.

The most effective way to use Facebook to promote a business is to create a Fan page. By becoming a fan, the users are allowed access to the page's information, which can include anything from pictures and chef recipes to customer testimonials and unique sales promotions.

As mentioned, it is a great idea to "jumpstart" user membership by using a high profile campaign that encourages fan enrollment. After all, the content of the page is only as effective as the number of people you get to review it on an ongoing basis. This can be achieved with an exclusive discount offering, coupons, or even an invitation into a signature event. The more valuable and unique the initial messaging or offer, the more likely it is to go viral.

Facebook and its fan pages provide advantages to casinos for a multitude of reasons. Beyond the volume of users already mentioned, it is perhaps the most effective at allowing for dynamic interaction between customers and business. Facebook fully integrates pictures, information and videos onto one page. This creates a one stop shop for business to share information with their guests and potential customers.

User beware, however. While there

advantages to two-way communication, there are risks to this as well. If a business opens their Facebook page to comments, it does need to be monitored closely for inappropriate content that third parties may post.

### TWITTER



Twitter provides a quick, real time form of communicating with guests. Twitter allows a restaurant or bar to send out 140 character messages to anyone who has chosen to follow them, and while message length is limited with Twitter, there is still ample opportunity for restaurants and bars to engage its community.

Just as with all social media, the focus should be in information sharing with limited promotional sales. Some of the best ideas that we have seen for restaurants and nightclubs include integrating chef announcements, new products, drinks, wines, menu items and priority line passes into a tweet. Kudos to the Pechanga Resort & Casino for their recent achievements in this regard.

For menu, wine or cocktail items in particular, the tweet should include a photo or reviews, as well as a website link. We have even seen some confident chefs who include the recipe for their latest dish, which helps not only announce the new product that has hit the menu (along with its visual appeal), but for the savvy customers who want to try to recreate something on their own, they can start to distinguish between how the item is cooked between the restaurant and the home. That is relationship building. Not just "feeding of the masses."

## SOCIAL MEDIA...

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Another example of a way to drive visitation is through the wine list. When new wines by the glass are introduced to the list, the restaurant can send a tweet with the introduction and recent reviews, and an invite to come to the restaurant to try that glass. A restaurant can even consider offering a free half of glass if the patron posts their own tweet while at the restaurant or bar about the selection.

### YOU TUBE

You Tube, the most "aged" social media site of the bunch, provides restaurant and bars in casinos the opportunity to present video of a wide range of topics in order to peak interests of customers. While You Tube provides the most limited interaction between the customer and the business, it can also provide for the most in-depth sharing of information. One of the best potential uses is the posting "behind the scenes" videos which can include anything from a cooking demonstration or a short day in life of a server to a bartender making cocktails or a song from a regular live band. In any case, the goal of the videos is to engage the customer in the operations of the restaurant and give patrons another reason to go enjoy a meal there.

There are certain parameters that must be employed in order to ensure the videos are effective. The first is to make sure that video is under 2 minutes and 30 seconds (any videos longer to lose the attention span of the viewer). Second, videos must be in good taste and provide an opportunity to engage the customers. While all videos will not become famous and go viral, this information source will enhance the profile of the restaurant or bar in the casino. The bottom line: Provide customers with something they can't find elsewhere with something original and true to your brand. It will drive interest, especially for your most loyal consumers.

Outside of the big three, other media sites provide niche opportunities for casino food and beverage programs to interact and market to their customers. These sites include local blogs, local versions of the national sites, such as Yelp, Metromix and Citysearch and local directories for events. By integrating into these sites, restaurants and bars in casinos can further outreach to the local customer base. ■

## Top Tips for Food & Beverage Operators

### Considering Social Media Marketing

#### **COMMUNICATE AND ENGAGE. DON'T OVERPROMOTE.**

*It is okay to use a promotion to build fans and followers, but if all you do is "sell sell sell", your target clients will quickly tune you out.*

#### **SOLICIT FEEDBACK AND ASK QUESTIONS.**

*Clients are following you on social media because they want to be engaged. Special events, new menu items, specials and complaint resolutions are all open for discussion.*

#### **KNOW WHERE TO START.**

*Consider starting with the big three (Facebook, Twitter, You Tube) and take advantage of technologies that allow you to automate communications between them. Add in local sites and other mobile technologies as capabilities allow.*

#### **BE VISUAL.**

*Food and beverage is image-reliant, so use graphics and demonstrations in your communications whenever possible.*

#### **KNOW WHAT YOU ARE GETTING INTO.**

*Social media presence is a significant commitment and is operationally demanding to maintain. Have a plan to monitor and respond to feedback and let your followers know you are listening.*

#### **EMPHASIZE RELATIONSHIPS.**

*Tie into casino or resort events/promotions/giveaways/social media sites when possible, and play up celebrity chefs when appropriate.*

#### **PLAY UP STRENGTHS.**

*If your property is known for a diverse, ever-changing menu (food, wine, cocktails), be sure to circulate updates and include imagery.*

#### **PERSONALIZE YOUR MESSAGING.**

*Give followers and fans something they can't find elsewhere. Be unique and true to your brand.*

# A CONVERSATION WITH PA SANDS ROBERT DESALVIO

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With regards to Emeril's Chophouse, Emeril and his culinary team worked very hard on creating an inclusive menu. They created a range of pricing and menu structure to allow for a varied

average check. In addition, Emeril came up with a special wine list – *Wines For the Times* - which includes an exceptional selection for a reasonable price (nothing above \$50). So while they still have higher end wines available, the *Wine for the Times* program has opened up a new avenue for people who are looking for a great steak with a reasonable bottle of wine.

**RITTVO:** Sands Bethlehem has made it a point to bring in brand name restaurants and celebrity chefs across the various dining segments and price points. Was this decision a market-specific decision or a companywide strategy?

**DESALVIO:** Both. Our company has had a long history of affiliating with celebrity chefs in Las Vegas and we feel that it has worked very well from that perspective. In thinking about the opening Sands Bethlehem, we wanted to continue that strategy if it made positioning sense for the Pennsylvania operations. We thought about who it would appeal to, and why it would work for both the chef and the two brands. These considerations ultimately led us to final decision to what we wanted to do and started making the arrangements.

**RITTVO:** Have you noticed that you are driving a higher volume of customers with lower check averages in Emeril's Chophouse and is this strategy working well for you – is there a higher volume of guests?

**DESALVIO:** I think we got it right because it has allowed us to attract a strong local following, not just gamers. It has also allowed us the opportunity for a number of special event diners and to use the restaurant space for business meetings and reception.

Overall, I would say we are very pleased with visitation at the restaurant, even in what might otherwise be inconsistent operational times. The traffic has remained steady even after the initial opening, which is a testament to its value.

**RITTVO:** How have you integrated your marketing plan with the name brands and the celebrity chefs? Emeril in particular?

**DESALVIO:** We have had a long history with Emeril dating all the way back to his Delmonico Restaurant in The Venetian in Las Vegas. Emeril is just an incredible name in the culinary field and he is familiar to millions. Just think about his popularity across the board. He is well-known and respected, from his television shows to everything he does on radio.

Fortunately for us, he did not have any restaurants in the northeast part of the country, which created a natural tie for the local market, which has embraced his presence here. Having access to the Philadelphia, northern New Jersey and New York markets, none of which have an Emeril Lagasse facility, it seemed like the perfect brand to affiliate here.

It also turned out in addition to including the Emeril Chophouse, he had his sights set on testing Burgers And More (BAM!), his first ever burger concept. We all thought it was great to try out here at Sands Bethlehem because it works for both the region and today's times.



With respect to Carnegie Deli, it is of course also a well-established (if not world famous) name. At 75 years old, it is still holding very strong brand recognition in the northeast. We thought the affiliation would work well within our casual dining concept, and offer patrons great value for their money. As a result, it also turned out to be a strong fit and great addition to the property.



**RITTVO:** As casinos start to explore different operating structures from third party leases to management contracts, can you tell us the benefits and or drawbacks to a third party lease agreement versus a straight management contract?

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**DESALVIO:** I think every property has to go through that evaluation themselves. Even within our organization we have very different arrangements from property to property. It is all about the concept, the chef, the market and the food and beverage capabilities in-house. All of that has to be put into the mix to make the right decision.



**RITTVO:** As casinos look to diversify their marketing strategies, Innovation Food & Beverage has observed that food and wine events have increasingly been taken into the fold. At Sands Bethlehem, I understand you have initiated a program to include beer and wine events at some of your venues. Can you tell us what the response has been to those events?

**DESALVIO:** All of our dinner concepts have been particularly strong and we anticipate we will continue with them on a monthly basis. Our main goal is making them approachable from a price standpoint, so that the guest receives enhanced value.

When appropriate, we incorporate wineries or beer company to provide information and commentary, as these companies have been able to tell our guests a lot about the wine

and why selections are made. Overall, the balance between great food and guest interaction has made it a great strategy and fun experience for all.

**RITTVO:** Have you marketed these events as player's club development?

**DESALVIO:** We have marketed these events to both our established players and to the community which makes for a nice mix of locals and players. We have seen attendance to date roughly as a 50/50 split, with half comprised of existing players eager to participate in new activities, and other half from the local community finding a new reason to take advantage of our offerings. ■



All photos provided courtesy of Sands Casino Resort. Burgers And More imagery credits to Floss Barber, Inc. (designer) and Eric Laignel (photographer).

## ANNOUNCING OUR "ASK THE EXPERTS" SEGMENT

**Submit industry-related questions to the Innovation Food & Beverage team for our next issue**

Starting with our next publication, Innovation Food & Beverage is pleased to announce that we will be launching a recurring Q&A segment for our newsletter. Our new "Ask the Expert" series will allow industry developers, managers and operators to submit questions relative to their F&B properties, with responses published in an upcoming issue of the Innovation Food & Beverage Newsletter. Directors Quint Hanson and David Rittvo, both long-time veterans of the industry, will coordinate the inquiries selected for each publication, applying their broad experience with strategic planning, research, analysis, operations, management, marketing, development, renovation, financing and asset management of food and beverage facilities to generate answers and provide insight.



**Quint Hanson**



**David Rittvo**

Submit your questions today to David Rittvo via [drittvo@theinnovationgroup.com](mailto:drittvo@theinnovationgroup.com). Note that we will reference your name, title and facility name in our publication unless otherwise requested.



Innovation Food & Beverage is a specialty advisory discipline within The Innovation Group of Companies. The IFB experts support all of our affiliates as they help clients develop market-appropriate strategies that complement the entertainment experience, improve ROI, develop opportunities and and maximize the price-value relationship for patrons. Services and contacts include:

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 Site Selection & Optimization  
 Operational Fit Analysis

Michael Soll  
 Executive Vice President  
 407.702.6648  
[msoll@theinnovationgroup.com](mailto:msoll@theinnovationgroup.com)

David Rittvo  
 Director, F&B Division  
 407.702.6649  
[drittvo@theinnovationgroup.com](mailto:drittvo@theinnovationgroup.com)

Quint Hanson  
 Director, F&B Division  
 218.839.2580  
[qhanson@innovationpd.com](mailto:qhanson@innovationpd.com)

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