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Client and Company News for September 2005



Announcing the formation of a new marketing services firm.

Steve Rittvo President The Innovation Group

I am excited to announce that The Innovation Group and PRACO Public Relations Advertising Company, one of the country's leading hospitality

industry advertising and public relations agencies, are entering into a partnership to create a full-service strategic marketing firm - with a powerful advantage.

The joint venture, called Innovation Marketing, brings together the skills and experiences of two unique



organizations to provide gaming and hospitality clients with a seamless integration between research and analytics, and the implementation of cohesive marketing efforts. We will finally bridge the gap between strategy and tactics. The Innovation Group, with an office in Denver, a New Orleans office temporarily relocated to Baton Rouge, LA, and an Atlantic City office, provides a variety of strategic and financial planning services as well

as primary market research to the gaming and hospitality industries. PRACO, with offices in Denver, Colorado Springs and Telluride, is Colorado's oldest and largest privately held public relations and advertising agency, with a history of award-winning work for numerous national gaming, hospitality, and travel and leisure clients.

Innovation Marketing takes the strategic and operational insight of The Innovation Group and extends it into the marketplace with advertising campaigns, public relations programs, direct marketing techniques, media planning and

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The Innovation Group will be at the 2005 Global Gaming Expo in force as fifteen staff members from among all our affiliates will be there to present on panels and chat with visitors in this year's 30-foot booth. This year's booth will be shared with Innovation Capital, our affiliate firm that's an investment bank with a practice focused on the gaming industry. Innovation Capital's capabilities include mergers & acquisitions, corporate finance & valuations.

Much of our attention this year will be on will the launching of Innovation Marketing, another affiliate firm capable of executing the marketing strategies that our consulting work indicates to be necessary. Innovation Marketing is a joint venture between The Innovation Group and PRACO Public Relations Advertising Company. You can read more about it in our lead story in this newsletter. According to Steve Szapor, Innovation Group COO, who currently spearheads our marketing services, "all too often, our work in market research and in developing marketing plans for clients ends at recommendations. Now we'll be able to assist clients all the way through implementation." Principals of Innovation Marketing will also be on hand in the booth.

Demonstrating even more breadth of services from The Innovation Group companies, yet another Innovation Group affiliate, Urban Systems Associates, will also be on hand to present their traffic, transportation and parking capabilities. PANEL LINEUP

buying and more. We're particularly excited about the creative resources of PRACO, which will be a significant asset in the execution of breakthrough campaigns for our clients.

"PRACO and The Innovation Group will now provide a network of services that will see our clients through the entire lifecycle of their strategic business practices, from operations to finance to marketing, creating efficiencies that will ultimately save them time and money," said Nechie Hall, PRACO president and CEO. "We're a one-stop shop that completes the circle, ensuring that strategy loses nothing in execution." [MORE.](#)

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## CLIENTS MAKING NEWS

### **Hard Rock and rollercoasters**

The Hard Rock brand will be going on a theme park in Myrtle Beach, North Carolina. Hard Rock has engaged The Innovation Group to do the market analysis and feasibility study that will help shape the 150 acre park. Early plans for this park call for a year-round park with amusements and rides plus a 15,000-capacity outdoor concert venue. This would be the first amusement park venture to carry the internationally successful Hard Rock brand. Additional Hard Rock parks are under discussion for other worldwide locations. [Back to "Clients Making News."](#)

### **Foxwoods breaking more records**

Foxwoods Resort Casino broke all-time slot revenue records in July. Foxwoods officials attributed the record partially the fully-opened expansion. The Innovation Group did the market research that help Foxwoods determine which market

## THE GUEST COLUMN



## **Seven Keys to Improving Casino Customer Service**

**By Martin R. Baird**

### Part Two

In my previous column, I told you how outstanding customer service leads to a great customer experience and explained that a combination of these two factors can create more play at a casino and increase profits. That was followed by a description of three of seven keys to improving casino customer service, including the importance of customer service training. This column explores the remaining keys. Let's get started!

#### **Key # 4: The Fun Factor**

In Key No. 3, I mentioned that you are in the entertainment business. It's important to realize that your service training needs to be entertaining, too. Most people think training is a form of torture. It doesn't have to be that way. If people are not having fun, it's very difficult to get them to listen and pay attention. Think for a moment about children and their ability to watch cartoons for hours. They smile and laugh. They're riveted to the TV. If you asked them to tell you about the cartoons, they would remember them in vivid detail. The reason these children remember is because of the fun factor.

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segments to target and which amenities to include in the expansion to appeal to those segments. [Back to "Clients Making News."](#)

### **Gaming heating up in Chile**

International Thunderbird Gaming Corporation has submitted bid presentations for gaming licenses in six cities in Chile. The Innovation Group was engaged to prepare the market assessments and conceptualization studies that demonstrated the revenue potential of developing casino hotels in these markets. The largest would be the Rancagua development, which is 40 minutes from the capital city of Santiago, where gaming is not allowed, and within one hour of a population base of 7 million. International Thunderbird would work with Hilton hotel group brands, such as Doubletree and Embassy Suites, to help develop and manage the hotels. The Rancagua site would also have a convention center and other entertainment amenities in addition to the casino and hotel. Winning bidders will be announced in May 2006. [Back to "Clients Making News."](#)

# The Post-Standard

 STAFF IN THE NEWS 

### **Scott Fisher puts a premium on gaming**

Dr. Scott Fisher, Managing Director of The Innovation Group was quoted in a story by Glen Coin in the Syracuse Post-Standard on the potential value of the Vernon Downs race track. The issue is significant because two investors are vying for ownership of the track, which is in bankruptcy. According to Scott, plans to add a casino to the track could generate enough revenue to boost the track's value to \$52 million. Even though the successful Turning Stone Resort & Casino is four miles away, Scott says Vernon Downs can still be profitable. "There's a decent enough population base," he stated. "People want variety."

[Back to "Staff in the News"](#)

 THE INNOVATION GROUP NEWS 

### **The Innovation Group vs. Hurricane Katrina**

Due to the devastation caused by Hurricane Katrina, the New Orleans office of The Innovation Group is relocating to temporary quarters in Baton Rouge, Louisiana and also reassigning staff to our Denver and Atlantic City offices. During this interim period, please address all contact and inquiries to our Denver office at 303-798-7171. While this is a very difficult time for many of our staff members, we are making every effort to make sure our clients receive the seamless, high levels of service we have always provided.

While our New Orleans staff is still in various evacuation locations, our email is operational again and should be getting through. However, please contact the Denver office if you do not receive a timely response. [Back to Innovation Group News](#)



### **The Innovation Group hires marketing services VP**

Joe Witterschein has recently joined The Innovation Group as Vice President Marketing Services. He brings in excess of twenty year's casino management experience to a wide variety of marketing and operational initiatives.

Joe operates from a "hands on - roll up your sleeves and get involved" style of management. He has the ability to get deep inside the marketing programs of our clients, bringing to light all the components of aggressive and successful marketing efforts. He has broad experience in creating and implementing the most critical of programs and enjoys developing a sound strategic partnership with our clients.

Joe has extensive property marketing experience, having worked in Native American, riverboat and traditional gaming venues. He began his gaming career in Atlantic City and held various marketing management positions for the Sands, Golden Nugget and Trump organizations. He was one of the first marketing executives in the riverboat gaming industry, having joined President Casinos at the outset of riverboat gaming in 1991, where he was responsible for creating and developing the first marketing and sales programs used in the initial properties that opened in the Iowa, Illinois, Mississippi and Missouri markets. He has traveled extensively across the United States, performing much of the early market assessment work for new gaming developments.

In 1995, Joe moved to the Minneapolis area to join Mystic Lake Casino Hotel where he has spent ten years serving in a number of executive management positions. He built and directed programs encompassing all facets of casino marketing and development including regional marketing, player development, hotel sales and media/advertising planning. He has also been on the ground floor and remains active with the growth in the direct mail and database marketing efforts within the gaming industry. In addition, Joe has served as the public relations officer and spokesperson for numerous casino properties.

Joe's management history includes many qualitative and quantitative research projects. He has introduced comprehensive "mystery shopping" and business assessment programs along with detailed player satisfaction surveys. Additionally, Joe has long been recognized throughout the industry as an authority on casino bus and transportation programs. He served on Atlantic City's AMTRAK expansion committee and has held various advisory positions with the American Bus Association and National Motorcoach Network on behalf of the gaming industry.

Joe holds a B.A. degree in Social / Political Science from St. Bonaventure University and is a graduate of the Industrial Relations Center for Executive Education at California Institute of Technology in Pasadena.

### **In December, it's off to the racing symposium**

The University of Arizona's Race Track Industry Program presents their annual Symposium on Racing and Gaming, December 5-8, 2005 at Loews Ventana Canyon Resort in Tucson, Arizona. This year, The Innovation Group is participating by coordinating the gaming panels. Some of this year's sessions will include panels featuring the perspective of established racinos, starting up, design, marketing, food & beverage, non-electronic gaming, the Canadian viewpoint and more. A slots workshop will give track managers a "101" course on machine basics. For more information on the 2005 Arizona Symposium on Racing and Gaming, visit <http://www.ua-rtip.org/Symposium/2005%20Symposium/05sympexhibitorandsponsorshipinfo.htm>

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## **Our 2005 G2E Panel Lineup**



**Steve Rittvo**

**President, The Innovation Group**

Wednesday, 8:00AM 2INT01: Las Vegas-Style Gaming: How Does It Translate in a World Market?

Steve presents the voice of experience whenever he's on a panel. We've represented the Sands, Caesars, Hard Rock and others internationally in moving the look and feel of Las Vegas across the globe - to South America, Eastern Europe, Western Europe and Asia.



**Stephen J. Szapor, Jr.**

**Chief Operating Officer, The Innovation Group**

Tuesday 1:00 PM 1MK03: Marketing Research: How Much Is Enough?

Steve has been doing a tremendous amount of market research, handling well over 100 focus groups, for conventional, Native American and international properties. As far as we know, we're doing more studies than anyone in this area right now. Steve's a huge advocate of research.



**Paul Girvan**

**Managing Director, The Innovation Group**

Tuesday 1:00 PM 1NA03: Crossing the Line: Tribal Investment in Non-Indian Gaming, Racinos & Pari-mutuels

Paul will add the perspectives of both coasts, having worked on the studies for Pechanga, Grand Ronde, Foxwoods, Mohegan Sun and others.



**Scott Fisher, Ph.D.**

**Managing Director, The Innovation Group**

Wednesday, 3:00 PM 2INT05: Meeting in Macau: A Report on the First Year of Expanded Gaming

Scott did Wynn's studies and other analysis projects on that side of the world and is often quoted on the subject in the trades both here and over there.



**Matt Landry**

**Vice President Strategic Consulting, The Innovation Group**

Tuesday 1:00 PM 1NA03: Crossing the Line: Tribal Investment in Non-Indian Gaming, Racinos & Pari-mutuels

Along with Paul Girvan, Matt will present trends behind the numerous Tribal studies we've done in that area.

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**Innovation Capital**

*Investment Bankers*



**Matt Sodi**

**Managing Director, Innovation Capital**

Tuesday Monday 3:00 PM 1FM05: Native Measures: The Funding of Tribal Gaming Operations

Matt heads Innovation Capital, The Innovation Group's investment bank affiliate. Innovation Capital's practice is focused on the gaming, leisure and hospitality industries. The firm's transaction capabilities include mergers & acquisitions, corporate finance and valuations/fairness opinions. Matt is on top of what's going on in the industry.



**Alison Catarella-Michel, P.E., PTOE**

**Urban Systems Associates, Transportation Engineer**

Tuesday, 1:00PM, 1DD03: Downtown Gaming: The Urban Casino

Alison will give the ins and outs of the traffic, transportation and parking issues to consider when planning an urban casino.

**Custom research for a fraction of the price.**

**Portrait of American Gamblers EXAMPLE**

**Most Important Casino Attributes (Entertainment):**

	Echo	Boomers	Xers	Boomers	Matures
	%	%	%	%	%
Nightlife and live entertainment	65	56	48	33	
Concerts	49	40	37	24	
Production Shows	22	25	26	25	
Boxing	24	20	12	6	
Adult Revue Show	16	13	8	9	

and breaks down most of the responses by age, income and region of the country. But, by re-analyzing that data, we can also generate subsets to show how those responses compare to customers who favor a specific casino or a specific game, to a specific demographic, to occupations, to smoking preference and much more. The list of topics at the end of this article is an indication of some of the fields that can be cross-tabulated.

The information in a subset analysis can be tailored to the strategic focus you indicate, and the report itself is designed to allow you to quickly and easily make accurate assessments of a large amount of consumer preference information as it applies to your specific situation. The potential also exists to enhance the basic premise of the subset analysis by creating a more defined consumer focus through the cross-tabulation of multiple subsets. An example of the value of this would be an analysis that focuses on gamers with a certain attribute who reside within a specified geographic region (e.g. preferences of slot players in the Chicagoland market). As long as the initial subset sample is large enough to maintain statistical validity through the additional subset tabulations, the possibilities are virtually limitless.

In the course of undertaking 2500 in-depth surveys to produce our recent research publication, *Portrait of American Gamblers*, we gathered an incredible amount of data. And even though *Portrait* is comprehensive enough to be of benefit to strategic development and marketing decisions at all levels, much of data behind it can be cross-tabulated to suit custom situations. This can be a very economical way to obtain a custom primary research study. *Portrait of American Gamblers* shows how gamblers' answers compare to those of the general population

**SUBSET EXAMPLE**

**Interest in Table Games**

	Non-Racino Gambler	Racino Gambler
Extremely/Very Interested in:	%	%
Blackjack	53	56
Poker	31	41
Roulette	21	26
Craps	22	26
Bingo	23	21
Caribbean Stud, Pai Gow	11	17
Live Keno	13	14
Baccarat	6	7

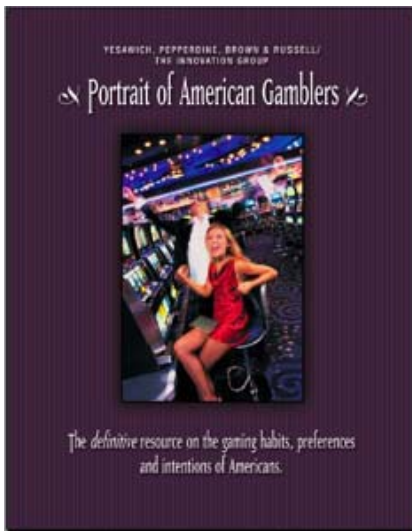
**To discuss in-depth market segment analyses** please contact Dennis Marzella, Executive Vice President/Partner, Research and Brand Strategy, Yesawich, Pepperdine, Brown & Russell, at 407-875-1111 or [dennis\\_marzella@ypbr.com](mailto:dennis_marzella@ypbr.com).

*Portrait of American Gamblers*, the currently available bound version, is a joint publication of The Innovation Group and Yesawich, Pepperdine, Brown & Russell, the country's leading marketing services firm specializing in the travel and leisure industries. *Portrait of American Gamblers* reaches beyond the kind of information you can get from Players Club databases, delving into the realm of what truly motivates casino customers to pick a destination, pick a casino brand, pick

a game or visit a new casino.

*Portrait of American Gamblers* provides the kind of information on the habits and attitudes of casino customers that our clients are regularly seeking. What makes it different from other research reports is that it's not merely a count of how many gamers are playing where, but it's an examination of the evolving lifestyles and motivations that influence gaming behavior. We asked our subjects questions such as what drew them to the casino in the first place and about their future interest in visiting specific gaming destinations, specific casinos and specific hotel/resort brands. To give warranted attention to the rapidly growing segment of Native American casinos, we included several questions about customers' experience with these properties as well. We also included some in-depth questions on the non-gaming life of customers by probing their travel habits, media preferences, lifestyle, demographics and social values. From the hundreds of gaming studies done by The Innovation Group over the past 12 years, for clients ranging from major casino companies to Native American tribes to governmental bodies, we have come to know the nature of information that's integral to the making of sound strategic decisions. Now, we've made a wealth of this information available to everyone. You can order your copy by going to the [Publications section of www.ypbr.com](http://www.ypbr.com). Reasonably priced at \$995, it's sure to become an essential to any gaming library.

**Topics covered in the study include:**



- Incidence of day and overnight casino visitation during the previous 12 months
- Previous day and overnight visitation of specific gaming destinations
- Previous day and overnight visitation of specific casinos
- Future interest in visiting specific gaming destinations
- Future interest in visiting specific casinos
- Future day and overnight casino visitation intentions and frequency
- Preferred casino hotel/resort brands
- Visitation and experience with Native American casinos
- Average expenditures on gambling, entertainment, food and beverage, lodging and shopping for both day and overnight casino visits
- Desirability of specific attributes when selecting a casino (e.g., brand name, proximity, food and beverage, entertainment, nightlife, sporting events, architectural/design theme, ambiance, recreational amenities, parking, smoking, promotions, player recognition/reward clubs, etc.)
- Preferred games (e.g., slots, table games, etc.)
- Interest in specific casino slots (e.g., mechanical reel slot machines, video slot machines, video poker, video lottery terminals, Class II machines, etc.)
- Interest in specific table games (e.g., baccarat, bingo, blackjack, craps, live keno, poker,

roulette, etc.)

- Players Club program membership and preferences
- Influence of specific promotional offers when selecting a casino
- Vacation habits
- Leisure time habits and preferences
- Social values
- Media habits
- General consumption preferences and behavior
- Political and religious affiliations
- Demography

To order your copy of YPB&R/The Innovation Group's *Portrait of American Gamblers* visit the [Publications section of www.ypbr.com](http://www.ypbr.com).

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**Announcing the formation of a new marketing services firm. (CONTINUED)**

Both PRACO and The Innovation Group will remain as independent entities, but share management of the new Innovation Marketing venture. Managing directors of Innovation Marketing are Meredith Vaughan, PRACO's vice president of account planning, and Stephen Szapor, The Innovation Group's chief operating officer. The other directors of the venture include Nechie Hall, PRACO's president and CEO, George Olson, executive vice president and creative director of PRACO, and myself. Casino marketing veteran and The Innovation Group's new vice president marketing services, Joe Witterschein, will also help in guiding marketing strategies for clients. The Innovation Group's Sid Berger will manage Innovation Marketing's New Orleans office.

Nechie Hall, PRACO president and CEO, and husband Jim Hall, chairman, founded PRACO Public Relations Advertising Co. in 1970. Currently, the agency has offices in Denver, Telluride and headquarters in Colorado Springs. It employs

more than 60 and has almost \$36 million in annual billings. PRACO is a fully integrated public relations and advertising agency with a history of successful and innovative marketing communications partnerships. Visit <http://www.praco.com> for more information.

"This partnership amplifies our capabilities and ensures that our clients' many moving parts are working in concert," said Steve Szapor. "We can now take the results of our market research, analytical and strategic advisory services and combine them with PRACO's exceptional creative talents and marketing execution to provide our clients with a seamless integration for their business. Businesses in these industries no longer have to piecemeal their consultants, but rather can get the entire specialized and focused consultancy services they need from Innovation Marketing."

In working with almost every gaming company in the business and with more than 65 native American tribes, we've become constantly aware of a void between our up-front strategic work and market research, and the advertising, public relations and direct marketing creative and executions. With this partnership, we look forward to bringing a whole new level of unparalleled service to our clients. For more information, contact me directly.

-Steve Rittvo, President

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### **Seven Keys to Improving Casino Customer Service by Martin R. Baird (Continued)**

Several years ago, I had the wonderful opportunity to work with a gentleman who had invested a good part of his life helping the people who produce the Sesame Street children's show. He showed them how to develop lessons and taught them about the child's learning process. He focused on accelerated learning, a technique that makes training so interesting and fun that people can't help but learn.

Learning IS fun and if you start customer service training with that premise, you will increase both retention and application. If you learn only one thing from reading this column, make it this - add more fun to your training.

#### **Key #5: It's An Investment**

I know training can cost a significant amount of money. It can be the equivalent of several salaries. But you need to view training as an investment. With training, you're investing in your people and in the opportunity to generate more revenue for your property. If you invest in your people, it helps both them and you.

Studies show that most employees want to be recognized and appreciated and that they rank these two items much higher than pay. By investing in your employees with training, you're recognizing them and showing appreciation. You're telling them and showing them that they are important to your success and that you want to enhance their value. If done correctly, you're also giving them tools they can use to make more money the next time they start their shift.

There's another investment to consider, the fact that improved service and a better customer experience can increase your property's play and, ultimately, its profits because those factors encourage customers to come back. It can be eight to 10 times more expensive to get a customer to visit once than it is to get them to return. Many properties use frequent player cards because they know they're building a habit for some of their customers. The sooner that happens, the sooner they can save a little on marketing and increase profits.

I hate to say this, but all the wonderful marketing in the world will not and cannot make up for poor customer service.

People have too many entertainment choices. They don't need to come to your property. Even if you're the only game in town, people now have the choice of online gaming. They don't even have to leave the comforts of home.

If you could improve your customer service and get 10 percent of your visitors to play one hour longer, how much would that contribute to your bottom line? If you could invest \$100 and generate \$200, would you do it?

Improving your people and improving your customer experience is a simple investment. You add hotel rooms or restaurants so customers will stay and play longer. That is the same as a wise investment in great training.

#### **Key #6: You Need to Start With An Accurate Perspective**

I'm disappointed by the number of gaming venues that really don't know what their customers want. Management will tell you they understand their customers, but all their information is second-hand or biased by their experiences. For example, some people in management think employees always smile. Of course they smile when a boss walks by. Or they see only the negative because that's what they hear from guests. They get feedback from guests who are upset and hear nothing from those who have a great time.

Creating a customer service culture at your casino involves change and in order to start that very challenging process of change, you need to have an accurate, unbiased view of where you are today. You need to know what your customers really see and think. An insider's point of view is not nearly enough. Do a 360-degree evaluation so you see things from the guest's perspective, from management's viewpoint and from the employees' standpoint. When you do this, you have a clear view of what is really happening.

If you don't start with this perspective, you are doing training or trying to improve service based on fiction. If I were going to invest a significant portion of my budget on improving service, I would want to base my investment on honest, unbiased observations.

### **Key # 7: People Are Not Born With the Customer Service Gene**

Wouldn't it be great if you could do a simple test to find out if the person you're about to hire has a great customer service gene? It could save all of us some big hassles.

Unfortunately, there is no such gene. Good customer service is not born, it's built over time with great training.

The few people who do it naturally simply see how great service works, and they like the way it makes them feel when they help a customer. But most people are not so blessed. Most people don't see how service affects them. They don't see that they can keep their job and make more money if they provide better service. I'm surprised at the number of gaming staff members who don't understand that they're commission-based employees. They live for tokens and the higher the level of service they provide, the better the chances they have of getting great tips.

So if they're not born with the gene, you need to provide training that's fun and interactive. You need to offer training that shows them that they and your company will be rewarded if they adopt these new, better behaviors. I'm talking about learned skills that are an investment in your employees' future.

Now you have the seven keys to improving customer service. Guest service is an unending battle that your property faces every day. There will always be a newer, bigger gaming venue, so how will you compete? Will you try to fight the never-ending battle of outspending your competition or will you outservice them and win customers that way?

*Martin R. Baird is author of "Gaming Guest Service from A to Z," a book that uses the alphabet to help gaming executives, managers and employees understand the importance of outstanding customer service and how to provide it. He is chief executive officer of Robinson & Associates, Inc., a customer service consulting firm based in Annapolis, Maryland, that provides specialty customer service training, management skills training, presentation skills training, team building programs and employee incentive and recognition programs for the gaming industry. The company Web site, [www.casinocustomerservice.com](http://www.casinocustomerservice.com), is devoted to helping casinos improve their customer service so they can compete and increase revenues. Robinson & Associates may be reached by phone at 480-991-6420 or by e-mail at [mbaird@casinocustomerservice.com](mailto:mbaird@casinocustomerservice.com). The company is a member of the Casino Management Association and an associate member of the National Indian Gaming Association.*

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For more information on The Innovation Group, visit <http://www.theinnovationgroup.com> or contact [Steve Rittvo](mailto:Steve.Rittvo@theinnovationgroup.com) or [Stephen J. Szapor, Jr.](mailto:Stephen.J.Szapor@theinnovationgroup.com)



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