



Developing a Casino Marketing Plan That Works

by Andrew Klebanow

The phenomenon of casino development in the United States is a fairly recent trend. Outside the jurisdictions of Nevada and Atlantic City, casinos have existed for little more than a decade. Initially, marketing plan development and implementation were not critical factors in the success of these early operations. Casino operators were able to open facilities and implement a variety of marketing programs based more on individual managers' personal experiences or to simply mimic what the competition was doing rather than develop marketing strategies and action plans based on their customer's needs and market trends.

Today, a sizable number of Indian gaming properties operate in very competitive environments. As such, there is now a real need for casinos to develop and implement structured marketing plans.

The casino marketing plan is a working document that the gaming enterprise develops each year in order to plan its marketing and advertising activities for the next twelve months.

The plan clearly defines the property's goals and objectives, the strategies it will employ to achieve them and the specific action plans that will carry out those strategies.

Special events calendars, promotions calendars, direct mail schedules, and marketing budgets presented to the tribal council are not in themselves marketing plans. Developed in the absence of a critical evaluation of the market and without clearly delineating the property's objectives, goals and strategies, they merely rehash what was done in the past.

The total expenses associated with the marketing activities in a modern casino can easily exceed 20% of gaming revenue (slot club points redeemed for cash and comps, direct mail offers, discretionary comps, promotions, special events and advertising). As one of the single largest expenses of the gaming operation, it is critical that the casino plans how it will market itself, to whom it will market to, and to forecast the expected returns from those activities.

The marketing plan clearly defines who the property's customers are and it defines how the property is positioned in the market. The plan analyzes trends in the market; it evaluates the competition and it reviews the property's past year's marketing efforts. It is the place where the property's mission statement is stored; it defines the property's goals and the fundamental strategies that will achieve them. It then lays out all of the marketing activities for the upcoming year with their associated costs and expected returns.

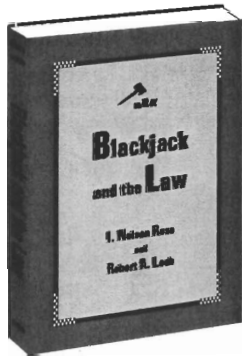
The marketing plan provides the leaders of the gaming property with periodic "reality checks." Too often casinos allow competitors to determine the marketing playing field. An aggressive promotion by a competitor that targets a particular market segment is often followed by other competitors attempting to match or exceed that offer. The marketing plan reminds the casino's managers which market segments the property competes for and the strategies that it employs to attract those segments. The plan keeps the casino from deviating from its strategy and prevents it from chasing potentially unprofitable market segments.

The single greatest challenge facing the casino marketer in the development and implementation of a marketing plan is finding the time to prepare the plan. Casino marketing directors are often too busy to sit down and write next year's plan. Developing an annual marketing plan takes time and few executives have the time to walk away from current tasks to plan for the future.

Plans cannot be developed without the input of key executives of the gaming organization. Without the input of the slot director, table games director, food and beverage director and other key operations personnel, the plan will not

Blackjack and the Law

Do casinos have the legal right to exclude players because they are skillful? What if a player who is told to leave comes back to play later? Can you be forced to show your ID? Can you legally use false ID? What if you are told by security guards to go into the "back room"? Is preferential shuffling legal? Can a casino legally restrict your bet spread? How can professionals take gambling losses off their taxes? What records do you have to keep to satisfy the IRS? Is it legal to gamble over the Internet? Are gaming laws different on Indian reservations? Everyone from the casual player to the full-time professional card-counter will find useful answers to legal gambling questions in this 245 page book, **Blackjack and the Law**. This book brings together 14 years of the syndicated columns of Attorney I. Nelson Rose, recognized as one of the world's leading authorities on gambling law, with the commentary of Attorney Robert A. Loeb, who has represented many card-counters in various legal disputes.



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be followed. By involving key directors in the plan's development, they will take pride in ownership and participate in its implementation.

Many managers in the gaming industry are not used to operating with a written plan and often rely on marketing techniques that they witnessed at other properties. Those may be inappropriate for the current property that they work in. When managers sit down and review trends in the market, participate in strategy formulation and action plan development, they are more likely to stay the course and not deviate by implementing illogical tactics.

What follows is a basic outline for building a comprehensive casino marketing plan.

- I. Executive Summary
- II. Situation Analysis
 - A. Market Analysis
 - B. The Competition
 - C. The Customer
 - D. The Property
- III. Marketing Objectives and Strategies
 - A. Marketing Strategy
 - B. Mission Statement
 - C. Goals and Objectives
 - D. Other Strategies
- IV. Action Plans
 - A. Advertising Plan
 - B. Public Relations Plan
 - C. Player Rewards Plan
 - D. Direct Mail Plan
 - E. E-Mail Plan
 - F. Player Development Plan
 - G. Special Events Plan
 - H. Promotions Plan
 - I. Consumer Research Plan
 - J. Website Plan
 - K. Marketing Calendar of Events & Promotions
- V. Marketing Department Organization
- VI. Marketing and Advertising Budgets

(Continued next page)

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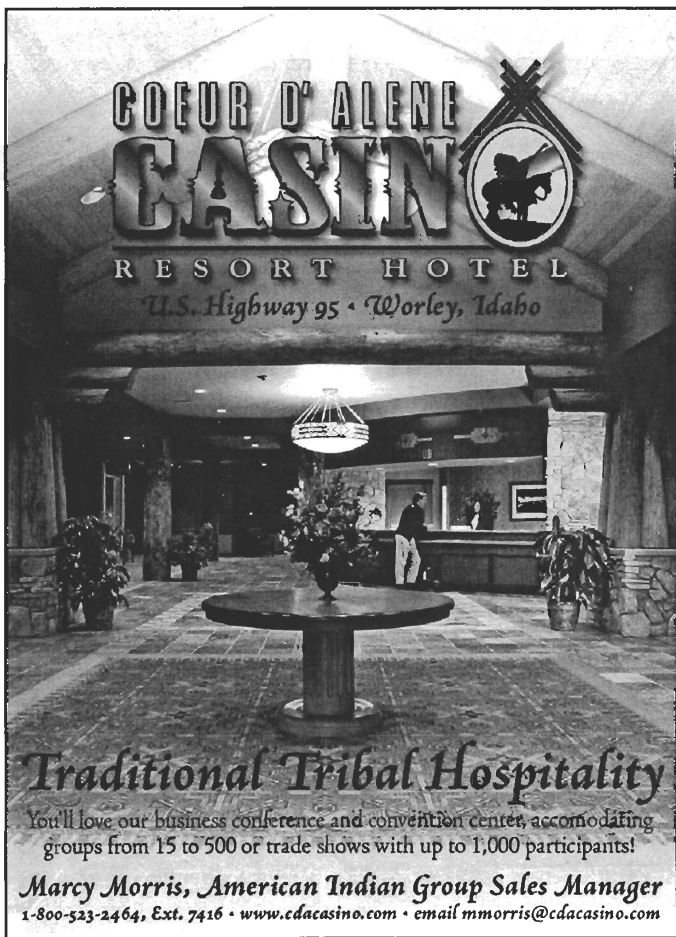
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MARKETING CONT.

This outlined plan can be applied to any sized operation, from a 500-machine casino to a 3,000-room hotel-casino. During the next two issues this column will focus on the fundamental components of the casino marketing plan. When complete, the plan will give the casino a road map that will allow the property to meet its marketing objectives and achieve its financial goals.

What one must remember is that, once created, a marketing plan is not etched in stone. It must be flexible to react to changes in the market. Yet it must adhere to its fundamental strategies so as not to let the competition dictate the marketing playing field. By defining realistic objectives and goals, creating sound strategies to achieve them, and designing and implementing detailed action plans, the property stands the greatest chance of fulfilling the casino's mission. ♣

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