

Finding the Perfect Promotion

How to keep 'em coming back for more

By Tracey Chernay & Susan Grinnell-Reed



The traditional means of getting promotions in casino patrons' hands haven't changed much (if at all) in the last few years. As a matter of fact, this hasn't really changed much in any other industry either. Vehicles such as direct mail, email marketing campaigns, and phone campaigns are employed on a regular basis by

marketers everywhere. And why not? No need to reinvent the wheel, right?

Yes and no.

All of the above vehicles work, but they have a common downside – a flaw that's not easily discerned if it's not examined with a fresh eye from a different perspective. These vehicles have a dependency that renders them effective only up to a point. The reality is that every business has limits on the amount of time and budget they can expend on delivering promotions to their current and prospective customers. Even if all marketing campaign cylinders are firing as planned, only a relatively small number of customers (or prospective customers) can be reached. What's more, there is often a substantial time lag between a customer's triggering behavior – the behavior that prompts the business to send out a promotion – and the business' follow-up promotional message. And it's during that lag time that the current or prospective customer may choose to make the decision to go to a competitor.

A gaming property outside of Spokane, Washington, realized they needed a promotion solution that would give them a leg up over their competitors, while creating a population of loyal players. As is often the case, success can sometimes be found by simply taking a new look at the old way that you do things. What they found, and how they addressed it, proved to be a game changer for the way that they deliver promotions to their slot players.

They sought a solution that would alleviate the time, budget and time lag issues that hampered even the best of their promotions. At the end of their search, they implemented a promotion/bonusing tool that allows them to reach out to each of their players individually across the entire slot floor of 1,800 games. The differ-

ence between how their promotions were designed and deployed in the past, and how they're currently handled now, has been like night and day, a true game changer for their marketing department.

They decided to go with a promotion/bonusing system that delivers coupons directly into the hands of the slot player, in real time. This software system speaks to players in a manner that they can easily understand and respond to, a coupon dispensed directly to them from the machine that they are playing. With the ability to speak to both carded and uncarded players, the massive flexibility of the system allows their marketing team to be creative and communicate with their guests in an almost limitless variety of ways, as each promotion is tailored to the specific needs of each guest. Implementation of this system has allowed them to provide bonuses and free play coupons, something they were previously unable to do.

From an infrastructure standpoint, the system interfaced well with their existing slot system. It has a high degree of flexibility,

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- **100%** increase in lower-tier player Average Daily Theo (ADT) on day of random award
- **87%** redemption rate of coupon targeted at carded players
- **70%** redemption of "Free Slots Play" coupon
- **60%** increase in Player Club registrations in only 90 days
- **50%** increase in player points earned on slots and EGTs in only 90 days
- **40%** redemption rate of coupons that encourage mid-week visits

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and will work with any slot system, regardless of manufacturer, should the casino choose to switch systems in the future.

Results after implementation were dramatic, and continue to be so. New member enrollments in their players club increased significantly, with a 27% increase in enrollments during the first two months of use (as compared to the previous six month average). That works out to approximately 600 new enrollments per month. In addition, their rated play percentage has grown beyond pre-launch expectations, with a 4.3% increase in the first three months of use (as compared to the previous six month average).

While the numbers and percentages are impressive, there have been other changes that are as equally impressive. One of the most striking transformations has been a change in the behavior of carded players who receive

a randomly awarded “cash” ticket. The cash tickets are an integral part of the new program branding that the casino rolled out to coincide with the implementation of the promotion/bonusing system. On average, the system is providing over 400 tickets a day, in amounts of anywhere from \$5 to \$500. On the days when a player wins a cash ticket, they increase their playing time and average spend by significant margins, well above what can be accounted for from their cash ticket winnings.

Of particular interest is the fact that the amount the players win from the cash ticket seems to have little impact on their overall behavior. For many players, just having the experience of receiving the award tickets right at their slot machine provides them with a fulfilling enough experience that they will continue to play for the chance to have it recreated. Instant gratification is a strong motivator, and all the more reason to keep coming back for more.

Contributors

Nicole Barker — In partnership with Raving Consulting Company, she works with casinos across the country to harvest potential from patron databases in order to fine-tune the segmentation, messaging, and programming of multimedia and multi-channel campaigns.

Tracey Chernay & Susan Grinnell-Reed — Tracey Chernay, Executive Vice President, Casino, Gaming and Lottery, is responsible for developing and executing TransAct’s global business strategies for TransAct’s Global Casino, Gaming and Lottery division. Ms. Chernay is also responsible for managing and directing the EpicentralR Software Development and Technical Team worldwide. Susan Reed, Director of Marketing, is responsible for managing the marketing strategies and implementation for TransAct Technologies’ brands and products.

Dennis Conrad — Chief Relationship Officer of Raving, Dennis has over 35 years of casino experience, including keno writer, bartender, dealer, floorperson, gaming instructor, special events manager, casino marketing director, gaming institute director, and corporate vice president of employee training and development.

Rob Gallo — Rob Gallo, Raving Partner, Online Casino Gaming, is considered to be one of the founding members of the online gaming industry. Rob offers significant expertise and experience in successfully implementing varying marketing methodologies across the globe. He has the ability to effectively strategize new markets and identify viable opportunities within the online gaming sector.

Winnie Grand — Winnie has studied the casino industry since the early 60s. With a Masters Degree in Psychology, she has been interested in the psychological aspects of gaming, along with the growth and development of the industry. She and her husband, a retired physician, travel to casino destinations for much of the year. She has written for Strictly Slots magazine and is an active participant in the gambling scene.

Deb Hilgeman, Ph.D. — An experienced casino marketing executive & consultant, Deb was founding GM of Mississippi Gaming News until Hurricane Katrina devastated the state’s casino industry in 2005. Deb developed and taught the first casino marketing course at Tulane University. She has an M.S. degree in International Relations and has currently completed her Ph.D.

Kell Houston — Raving has worked with Kell since 2001, and

throughout the years, we have not only valued his friendship, but his integrity. That combined with his gaming savvy approach to utilizing entertainment as a tool to drive folks to the casino floor, makes him a perfect fit for Raving clients. Kell is the Owner/President of Houston Productions, with offices in Las Vegas, Minneapolis, Seattle & Vancouver, BC. Houston Productions is a proven industry leader in casino entertainment buying and consulting. Houston has worked in all aspects of the entertainment industry over the past 30 years, focusing for the last 15 years on Indian Gaming.

Tony Renz — Tony Renz, Raving Partner, and Principal, Innovative Slot Products, LLP, has been in the casino industry for over 17 years. His first love is horse racing, partly because he grew up across the street from Churchill Downs. If you have been to the Derby, he says, “I was the kid who parked your car in my backyard, and then pushed your cooler in a grocery cart to the entrance.” Tony got into the casino industry in 1997, and knew right away that it was for him. Slot Service Guard is one of those tools every casino needs to allow slot attendants to focus on true guest service, all while it lowers labor cost.

Adam Smithline — is CEO of Opticity, a hosted casino marketing system that enables operators to

harness the power trapped in player tracking systems. Opticity makes it easy to understand player value and drive effective campaigns, increasing gaming revenue while reducing inefficient player reinvestment.

John Stewart — the CEO of Encompass Develop, Design and Construct, LLC, is an award-winning registered architect, licensed contractor, and licensed authority in the gaming industry across the country. John’s experience includes project development in industries including gaming and hospitality, restaurant and food service, retail, healthcare, religious, and manufacturing.

Sean Vestal — Since 1999, Sean Vestal, Raving Partner, Marketing and Player Development, has held several executive level marketing positions with a number of Native American casino operators. He brings the advantage of versatility and leadership across multiple disciplines inside a casino marketing department. During his tenure in the gaming industry, he has had successful engagements as both the Director of Player Development at Lucky Eagle Casino, and as the Marketing Director at Suquamish Clearwater Casino Resort.