

NO LUCK NEEDED.

How the Right Data Can Improve Casino  
Marketing Campaigns





## Introduction

The ability to acquire, convert, enhance, store, and manage marketing and operational data is a challenge many organizations face, including casinos. The amount of data that exists and is available today isn't the problem; it's converting data into actionable information that ultimately determines marketing success.

The gaming industry has been a roller coaster ride of change over the last several years. As a result, it is critical marketers working in the industry evolve with the changes. A recent survey from the Global Gaming Expo (G2E) revealed that 77 percent of casino marketers said advancements in the last 10 to 15 years have dramatically altered the way they and their customers interact. What's more, a full 95 percent of those same respondents believe casino-marketing programs will undergo "much more" (68 percent) or "somewhat more" (27 percent) change and development during the next 10 to 15 years compared to the previous decade.

Those changes include a shift to more digital marketing communications and having a far better understanding of player behavior. While communicating with customers and prospects via traditional casino marketing channels such as direct mail, print ads, and billboards can still be very effective, their cost and the changing nature in which players engage with casinos today is forcing marketers to re-evaluate their way of doing business. Today's reality in casino marketing involves shorter player attention spans, interacting with customers on Facebook and Twitter, emailing players with various incentive-driven offers, and having mobile apps accessible to customers on the go. None of this is possible without data, however.

## Proceed With Caution

Casino marketers leverage player databases to enhance business intelligence, player relationships, and sales and marketing activities. An efficiently run data management environment will help you capture a larger share of those players, however, the perils of poor data management are many.

When casinos don't invest their time and resources into sound data management practices, the consequences can be severe. Here are the most common repercussions:

- **Inability to perform in-depth analysis.** High-level data such as ADT and total visits are available but details beyond transactional data typically aren't. In many cases, the data casinos want can't be extracted.
- **Errors in customer correspondence.** Player correspondence generated using inaccurate or incomplete data results in errors that trigger unnecessary contacts, sending marketing materials intended for prospects to existing customers, and vice versa, among other mistakes.



- **Difficulty producing integrated reports.** Reports that require data from multiple business units (e.g., hotel registration, food and beverage, nongaming revenues) or operational source systems involve generating separate reports from disparate systems.
- **Handling each customer service inquiry as unique.** Customer service has limited information on prior customer interactions, forcing it to treat each interaction as if it's the first one.
- **Lack of timely reports.** IT is unable to fulfill requests for reports when they're needed or wanted, often with excessive build times and limits on reporting due to existing infrastructure.

The most common customer database in the gaming industry is the player's club. This loyalty program has evolved into one of the most important elements of any casino marketing program. Player's clubs use perks such as cash or non-cashable free play, free rooms, food and beverage, or entertainment as an incentive for signing up for a player's card. This in turn helps the casino to collect valuable data — such as what games the cardholder prefers to play, player theoreticals, if they stay at the casino, betting tendencies, and game selections.

Going forward, player's clubs will continue to be a staple of the gaming industry. According to the Global Gaming Expo, more than 90 percent of casino marketers said data acquired from player's clubs will be the primary tool driving casino marketing programs in 10 to 20 years from now.

The data needed to execute a casino marketing campaign will vary depending on the end goal of the campaign. For example, if a casino is marketing to previous visitors in an effort to get them to visit and play again, information such as the date of their last visit, total visits, ADT, and the distance between their home and the location of the casino is critical. Other possible objectives for casino marketing campaigns include earning a larger share of players' wallets, increasing coin in, getting players to play longer per visit, and increasing customer spending on nongaming activities during their stay.

Complicating matters further is the objective can differ all the way down to the household level. For example, a married couple that enjoyed a weekend at a Las Vegas Casino may have spent their time and money differently. The wife enjoyed going to the spa and restaurants within the resort, while the husband preferred to spend his time on the golf course and playing poker. Going forward, how does a casino market to this couple?

The short answer is through a database beyond the standard player tracking system. Data on the spending behavior of the wife is acquired, stored, segmented, and leveraged in future marketing campaigns; the same goes for the data associated with the husband. A marketing communication may be sent to each of these customers, with the content targeted based on



their prior behavior — the wife receives an email promoting the opening of a new restaurant at the casino while the husband receives an email touting an upcoming poker tournament. Data is the foundation for these targeted campaigns.

## The Transformation of Casino Marketing

As a result of the volatile economic environment in which casinos now operate, the long-accepted practice of giving “comps” to loyal customers and players is becoming a thing of the past. Cash-back rewards are increasingly being replaced by promotional credits, particularly as casinos better understand the items and comps their customers really want. According to an overwhelming majority (95 percent) of casino marketers who responded to the G2E survey, promotional credits have now either “totally replaced” (43 percent) or “somewhat replaced” (52 percent) cash-back rewards as a marketing tool.

Much like many other industries, the way casino marketers are spending their money is shifting. Traditional (and often more expensive) marketing channels such as direct mail, print ads, billboards, and TV are seeing their share of casino marketers’ budgets cut significantly. Another interesting trend revealed in the Global Gaming Expo survey was that casino marketers believe personal contact between casino employees and customers won’t be as important going forward as it is today. This suggests casinos will have to rely even more on highly specialized digital data driven marketing communication in the future.

**Here are four trends that casino marketers should be aware of as they adapt their marketing strategies and budgets for an evolving gaming industry:**

### 1. Digital Player Communication

The importance of social networking platforms such as Facebook and Twitter, mobile applications, RFID, and other table game player-tracking tools will increase the most in the next 5 to 10 years. Email and social media marketing campaign frequencies are more than twice that of more expensive direct mail and phone campaigns, which will continue to grow and replace direct mail as the workhorse of the industry.

Casino marketers might want to follow the lead of their retail brethren, who have been at the forefront of using data acquired from their customers at the point of sale and through commercial markets to cater to them in other channels. Being asked for your email address when you buy a product in-store is becoming commonplace. Retailers know an email address is a valuable piece of data that can be leveraged in future marketing campaigns. They’ve also developed significant social media presences because they know that’s where their customers are spending a majority of their time online. Acquiring relevant data through *any* touchpoint with customers and prospects yields dividends.



A database with email addresses appended to customer records can be used to engage players and is less expensive than direct mail and other marketing channels. The opportunity to reach upwards of 40 percent or more of your active players with customized, targeted email offers presents a ROI that can't be matched by other marketing channels.

## 2. Psychographic Data

For casinos, one-size-fits-all marketing campaigns are no longer the gold standard. Today, half of the battle lies in targeting the right people, while the other half is giving those targeted individuals effective messaging and a compelling call to action. Relevancy is the key differentiator to engaging the recipient. It is now possible to sub-segment target audiences using personality. The use of such personality data offers deeper insight into constructing a message with a much higher success rate to motivate customers and prospects. It allows a casino to present the player with a message that's developed to match how the individual actually processes information and makes decisions. Personality profiles are possible because of the vast amount of data available today on the behavior of consumers. The way consumers act — their relationships, transactions, activities, interests, hobbies, purchases, spending behavior, and so on — are a result of their personality. Therefore, the ability to profile a consumer's personality significantly increases the chances that you'll be able to market to them successfully.

For example, a mid-40's female who prefers to play slots, shop online, owns a smartphone, has a high household income, and is an active social media user would suggest she's more likely to be receptive to online (e.g., email, social media) and mobile (SMS, apps) marketing campaigns than more traditional print-based campaigns. A 75-year-old male who prefers to play poker, is on a fixed income, and has responded to direct mail offers in the past should be marketed to in an alternative fashion.

## 3. Running Analytics on Centralized Customer Data

With signs of decreased consumer spending on casino gambling in recent years (gaming revenues are down significantly at Atlantic City, N.J. Casinos, for example), marketers are being forced to work harder and smarter than ever before to capture a larger share of consumers' wallets. Acquiring relevant player data, combining, converting, and segmenting that data into actionable information and successful ROI models, then using that data as the basis for marketing campaigns is a proven approach across numerous industries. This reinforces the fact that casino marketers must have robust data warehouses filled with useable data, regardless of source.

Casinos generate player and transactional data from numerous sources within their organization. A casino's data management environment should combine all sources of data available to it, ultimately resulting in a single repository containing all data associated with players, customer and prospect inquiries from marketing activities, food and beverage, gaming



floor data, W2G lists, hotel registration systems, entertainment, golf, and any other data which may be applicable. This complete view provides concrete marketing intelligence to segment players and prospects, allows you to build specific campaigns around the true value of a player, and then assess the effectiveness of each campaign post-delivery.

This centralized database can then be augmented with consumer data to improve customer understanding, and more effectively segment players and prospects. This database serves as the foundation for marketing and relationship management. Running predictive models on the database will help you strengthen relationships with players, improve operational efficiency, more appropriately budget expenditures on the most productive marketing channels, and uncover hidden (i.e., non-gaming) revenue opportunities.

## 4. The Use of Data Management Platforms

Data management platforms are becoming a means by which companies can tap the benefits of centralized data management without the capital investment or risk associated with premise-based technology integration projects. Given the numerous failed attempts at data warehousing in the gaming sector, it is only a matter of time before this approach gains traction in the gaming industry. The typical benefits of a data management platform include:

- **Flexibility**
  - Customizable data models
  - Automated processing
  - Scalability to support business growth or the addition of new data sources
  - Role specific data access and usage
  
- **Security**
  - Tight data security
  - Automated platform monitoring which ensures immediate detection and correction of system issues
  
- **Access to new functionality**
  - Data marts for specific functional usage/applications
  - Functionally specific data visualization to allow for improved interactivity with centralized data
  - Access to compiled consumer data to broaden customer insight and improve segmentation, targeting, and campaign relevance
  - Business intelligence, data enhancement, and campaign execution tools maximize the usability of the information for acquiring new customers as well as increase spending of current players



Once the platform is built, consider how to re-evaluate your players. Overlay consumer data (e.g., transaction and play history) to learn their likes and dislikes to design campaigns not previously possible.

## Conclusion

Ultimately, data management platforms allow users to leverage the appropriate data to target specific audiences through relevant communication channels. For casino marketers, those channels are increasingly becoming of the digital variety. For them to be successful, however, casinos have to learn more about their players and reach them in a way far more personal and relevant than a one-size-fits-all direct mail piece.

For a casino to be successful going forward, it needs to be on the cutting edge of marketing. That means constantly reinventing its communications, keeping true to old-school rules while implementing new ideas. *Who needs luck, right?*

## Contact V12 Group

For more information regarding data management, contact V12 Group at 1.866.842.1001 or [info@v12groupinc.com](mailto:info@v12groupinc.com).