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## What Players Really Want

Understanding the wants and needs of gaming customers has long been the mantra of the most progressive leaders in the gaming industry. Collectively, casino operators in the United States have conducted thousands of focus groups and interviews with casino customers in order to understand how to make gaming experiences better. Spurred by the input of their customers, casino managers have undertaken customer service initiatives, increased training in customer service, developed host programs and invested capital in improving the service delivery process. Yet despite these efforts, most casinos have ignored the one complaint that most irks casino customers: tight machines.

Research has long indicated that what customers seek most in their gaming experiences is "time." Gamers visit casinos for a variety of reasons including socializing with others, escape from the mundane, recognition and excitement. What they ultimately seek is a diversion from their normal lives. Casinos offer environments that are dramatically different and customers want to spend as much time as possible in those environments before going back to their regular world. While every customer would like to leave a winner, for virtually every customer, gaming satisfaction is measured not by how much money they have in their pockets at the end of the day, but by how much time they spent in the casino before they extinguished their budgets and went home.

Slot manufacturers have long been in the forefront of customer research and recognized that what customers sought from slot machine gaming was "time on device." To better meet the needs of gaming customers, slot designers developed complex algorithms that reduced the volatility of game programs and allowed customers to play slot machines for longer periods of time. This is the foundation of all multi-line, low denomination video slots and the reason those machines have supplanted traditional reel machines as the most popular games on the casino floor. At the end of the day customers extinguished their gaming budgets, but felt they got more gaming value because their gaming dollars lasted longer.

Some casino operators embraced this philosophy and built their slot floors with a mix of these new machines that provided more time on device and outstanding gaming value. However, other casino operators, once seeing the success of these new games, chose to ignore the fundamental wants and needs of their customers and ordered game programs with higher hold percentages. The net effect was to reduce the time customers spent playing, ultimately reducing those customers' sense of gaming value.

### Customers Know When Games Are Tightened

Many casino managers are of the belief that customers do not know when they increase the slot hold percentages of their machines. They believe that a 2% increase in the slot hold,

say from 7% to 9%, would go unrecognized by the vast majority of their customers and would allow the casino to increase gaming win. This logic is flawed for a number of reasons. First, the vast majority of customers visit a casino with a fixed gaming budget. Over time they know how much time on device to expect for a certain budget. Occasionally, they may play a game on a down cycle and be forced to pay a visit to the ATM. However, over time gaming customers know what to expect in terms of time on device for their budget.

When a slot manager makes the decision to increase the hold percentage of the slot floor, frequent players quickly recognize the change. Every casino has a core group of avid and enthusiastic players who spend an inordinate amount of time playing slots. For these customers a slot session may exceed six hours and they may participate in multiple gaming sessions over several days. These players experience multiple slot cycles and they intuitively know how much gaming time to expect for their budgets. When a casino increases the hold percentage, they quickly recognize that something is wrong.

These same customers also belong to the casino's player rewards program. They are thus sensitive to the number of points earned during each gaming session. When a casino chooses to increase its hold percentage, they earn fewer points for every gaming session so they have empirical evidence that a change has occurred. These same customers are also astute enough to request annual win/loss statements for tax purposes and have further proof at the end of the year when a change has occurred.

Finally, because of the social nature of gaming environments, casino customers talk. They talk to change people, they talk to slot technicians and they talk to other customers. So when a casino increases the hold percentage, this network of customer and employee interaction quickly gets the word out that a change has occurred.

### Hold Percent and Play Time

A modest change in a slot floor's hold percentage can have a dramatic effect on customers' play time. Suppose a casino makes the decision to increase the slot hold of its floor from 7% to 9%.

Table 1. Slot Hold and Time on Device

Old Hold	New Hold	Reduction In Time on Device
6.0%	9.0%	-50%
6.5%	9.0%	-38%
7.0%	9.0%	-29%
7.0%	12.0%	-71%

Within that mix of games are machines whose hold may increase from 6% to 9%, but also games, usually in lower denominations, which may increase from 7% to 12%. Table 1 illustrates the

effect of those changes on customers' time on device.

Even a modest increase of a machine's slot hold from 7% to 9% yields a net reduction of time on device by 30%. For those games that saw more dramatic increases in hold, say from 7% to 12%, overall time on device is reduced by 71%. Rest assured, customers will notice those changes and they will express their dissatisfaction with managers, employees and other customers.

### Hold Less, Make More

An argument can be made that reducing the hold percentage of a slot floor can actually yield greater returns to the casino operator. In other words, by reducing the hold percentage of the slot floor and enhancing the value customers receive when they play in a casino, that casino can increase customer satisfaction, market share and profitability. The four casinos that serve the western portions of Chicago illustrate this point in Table 2.

The Grand Victoria Casino in Elgin, IL enjoys the highest revenue and Win Per Unit Per Day (WPUPD) of any casino in the Chicagoland market. Much of its success can be attributed to its location near an affluent suburban population. Yet despite its superior location, the Grand Victoria offers its patrons a slot hold percentage that is lower than its competitors. While the casino could take advantage of its superior location and increase the hold, its

low-hold strategy has allowed it to consistently dominate the market and enjoy some of the highest WPUPD averages in the nation.

Ultimately, each casino must chart its own customer satisfaction strategy. For some casino operators, smiling employees wishing customers 'good luck' is the foundation of their service

**Table 2. Chicagoland Slot Statistics  
Aug-06**

Boat	City	# of Slots	Slot Revenue	WPUPD	Slot Hold %
Grand Victoria	Elgin	1,100	\$29,838,000	\$875	6.24%
Harrah's	Joliet	1,188	\$26,007,000	\$706	7.89%
Empress	Joliet	1,211	\$19,521,000	\$520	7.28%
Hollywood	Aurora	1,172	\$19,384,000	\$534	7.72%

*Source: Illinois Gaming Board*

strategy. For other casinos, giving customers what they really want in the form of more time on device is a strategy that truly differentiates them from the competition, generates higher customer satisfaction levels and greater market share, and one that ultimately generates greater profitability. ♣

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