



The Six Audiences of Casino Advertising

by Andrew Klebanow

The economic downturn, coupled with higher gasoline prices has had a significant impact on many of this nation's casinos. In response, casinos have stepped up their promotional efforts in order to maintain market share. In addition, many casinos have increased their advertising efforts, ostensibly to attract new gamers to their properties and some defectors who had altered their visitation patterns. The general opinion is that advertising is used to target these segments while direct mail is utilized to encourage repeat visitation from existing customers.

Casinos advertise, particularly during economic downturns. However, they often do so without first understanding the various audiences that these advertisements are supposed to target. Because of this, many advertising efforts fail to reach the right audiences or the wrong messages are delivered to the wrong group. There are six audiences of casino advertising and strategies to effectively communicate with each of them.

New Customers

Clearly, the most important audience for any advertising plan is new customers. New customers are attracted to the casino because of its advertising and are then recruited into the casino's player rewards program. Once in the database, these customers receive a series of direct mail offers designed to solidify their loyalty. New customers also respond to promotional messages along with the introduction of new amenities. They need directions to the property and a reason to visit. Most casinos do a good job of attracting new customers; where they often fail is in proactively enrolling them into their rewards program.

Defectors

Defectors are customers who had previously been loyal to a casino but now choose to take their business elsewhere. Often they defect because of a bad service experience or they become frustrated with the casino because they got little or no gaming value for their money. The primary cause of this manifestation is the practice of increasing the hold percentage on gaming devices. Defectors pose a difficult challenge to casino marketers since these people often leave because they got angry, either with the product (slots) or service. The passage of time coupled with the introduction of new amenities (restaurants, lounges, hotel or expanded gaming facilities) is the best strategy to re-activate these players.

Existing Customers

The primary method of communicating with existing customers is through direct mail. Market researchers specializing

in casino gaming have long recognized that casino customers like to receive mail and the offers they receive stimulate repeat visitation. Therefore, it is incumbent upon the casino operator to enroll as many customers as possible into the rewards programs so that they can begin to receive mail. Newsletters, postcards, personalized letters with targeted offers and other mail communications are the primary vehicles to communicate with existing customers.

Despite the importance of direct mail, traditional forms of advertising play an important role in the decision making process for existing customers. Loyal players need to see their favorite casino advertised. It helps to validate their decision in choosing one property over another. They need to see their property advertised and they scrutinize the messages that lie within those advertisements. Advertising techniques such as modeling help reinforce customers' attitudes about their favorite casino and of themselves.

Ownership

The owners of a casino are a critical audience for any casino. In Indian country, owners include tribal leadership, tribal council or members of the tribe's business board. Owners also include members of the tribe who take pride in seeing that their casino is being advertised effectively.

Advertising to owners poses a unique and difficult challenge to the casino's marketing team. Most owners have their own views of who should be targeted even if those beliefs are not grounded in sound marketing strategy. Owners expect that their casinos be effectively marketed to tourists. Casinos are often forced to rent signage at regional airports and buy expensive advertising in airline magazines and local tourist publications to satisfy those expectations.

Owners often do not read the same publications as a casino's customers nor do they live in the markets where customers reside. They may not see the billboards or ads that customers see. Thus casino marketers may be forced to employ strategies solely to satisfy the needs of the owner. They may buy billboards on routes that the owners drive on rather than allocate precious marketing dollars on advertising that more effectively reaches their customers. The return on such advertising is suspect, but it is often expedient to buy it in order to avoid any criticism from such vocal constituents.

Owners take pride in seeing their casinos advertised and they pay particular attention to branding messages and the quality of advertising production. The marketing team cannot use alternative logo designs and must adhere closely to the design standards outlined in the casino's branding book.

Regulatory Authorities

Regulatory authorities include both tribal and state gaming commissions. In both tribal gaming environments and state sanctioned environments, marketers are often required to submit samples of advertisements and promotional plans to their respective gaming commissions prior to implementing those campaigns. Essentially, the commission's role is to make sure that the promise made in advertisements matches what will ultimately be delivered to customers. Thus it is imperative that all advertisements be scrutinized for accuracy. There are few feelings worse to a casino marketer than to have an agent of the gaming commission visit his/her office.

Employees

Employees need to see their casino advertised. They are the first to experience the negative consequences of an economic slowdown. Tip earners in particular are very sensitive to business downturns. When the business slows and they do

not see the casino taking proactive measures to attract new customers, they become bitter. The problem is compounded because they do know or recognize when a casino increases the volume of direct mail offers. What they need to see are copies of all marketing communications that are sent into the marketplace. Casino marketers should therefore display samples of all print ads, billboards, and all direct mail communications in employee areas so that employees know what messages are being sent into the market and the kinds of direct mail offers that the casino bestows on its customers.

Advertising requires specific objectives and sound strategies. A key element of advertising strategy is to understand who the audience is. It is therefore incumbent on casino marketers to fully understand those audiences and craft advertising strategies that target each of them. ♣

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