



The Casino Marketing Plan: Objectives, Strategies and Action Plans

by Andrew Klebanow

Last month this column focused on the first part of the casino marketing plan: conducting a thorough situation analysis in order to understand current and anticipated market conditions, the competition and the customer. Having performed this analysis, a casino marketing team can now focus on the development of realistic goals and objectives, a strategy that will achieve them and the specific action plans that become the marketing department's "to do" list.

Mission Statement

Too often the marketing team loses sight of the property's mission. Operating a tribal gaming enterprise is more than about making money. It is about improving the quality of life for tribal members, providing security for future generations, offering employees opportunities for growth, and being a responsible member of the community. The marketing mission statement flows from the tribal mission but is also based on current market conditions. Once the team has prepared its situation analysis it is ready to develop the marketing mission that will guide the department's efforts through the next year.

Develop Realistic Goals and Objectives

A children's fairy tale reads that if you don't know where you're going, then any road will do. It is the same with marketing strategy. If a casino's management team does not have realistic goals and objectives, then any strategy (or no strategy) will work.

Knowing if and at what rate the market will grow and anticipating what the competition will do, the property's managers can develop realistic goals and objectives. The operative term is "realistic." What can the property realistically accomplish in the next twelve months? Annual goals, which are quantifiable and measurable, may be defined as win per device, win per position, new slot club sign-ups and cash flow (EBIDA). Long-term objectives, while critical to strategy formulation, are not necessarily quantifiable. These may include improving the image of the casino in the local community, successfully positioning the property as an entertainment destination or becoming the market leader.

Positioning Statement

What do you want people to think of when the name of your casino is mentioned? The positioning statement defines what the property is about in the minds of customers. If the marketing team cannot summarize the position of the property in two or three sentences then a thousand advertisements

will fail to communicate the position in the minds of your customers.

Marketing Strategy

Strategy formulation and implementation is the foundation for any successful business and particularly for gaming enterprises operating in competitive environments. Because of its importance, it is incumbent that the property's leaders take the time to develop sound strategies in order to achieve the casino's goals.

To understand how strategies are developed, it is best to break down the fundamentals of casino marketing into three separate activities: attract, capture and induce to return. These three activities form the foundation of all casino marketing strategies. The question that each casino needs to answer is how each part of the strategy will work. How will a casino attract people to the property? Will it advertise? If so, what will the core messages be? What's the promise? Perhaps the casino will opt for prospect direct marketing. If so, what offers will it use to attract these gaming prospects?

Once a casino succeeds in attracting new customers to the property, how will it capture players' names and addresses? Will it utilize promotions to get people to join? Will it solicit new members on the floor? The database is the lifeblood of every casino operation. What is the strategy to keep the database growing?

Finally, once a casino has these names and addresses of players how will it encourage people to return? What is the strategy to induce people to come back? The property's marketing strategy needs to be more than stating the casino will mail offers to customers. What will be the methods of segmenting and rewarding the various parts of the database? What will it mail? Will it utilize a newsletter to communicate monthly promotions and maintain top-of-mind presence? Will it mail cash or food to frequent visitors or will it rely on special events and tournaments to encourage customers to come back?

Action Plans

Strategy tells the marketing department how it will achieve its goals. Action plans tell the staff specifically what they will do, how much each marketing activity will cost, what the anticipated returns are and how each activity will be measured. Action plans define the specific tasks for the department. They should be written for each functional area of the marketing department and it is best that those people who will do the actual work participate in this process. The direct marketing manager should work with the marketing director to develop

the direct mail action plans. The database analyst should participate in defining the segments that each direct mail campaign will target. Segments, offers, drop dates, mail costs, redemption rates and incremental gaming revenue must be estimated in order to develop realistic budgets. A week's worth of planning with the people who will do the actual work will pay dividends throughout the year.

With strategies defined, the promotions manager now can plan a series of promotions that flow from those strategies. Will promotions be used to attract new customers, build the database or encourage past customers to return? Each promotion needs a clearly defined purpose. Just getting bodies into the casino is not sufficient. Once a promotion has a clear and specific purpose, how it will work, how it will be measured and how much it will cost become much easier to estimate.

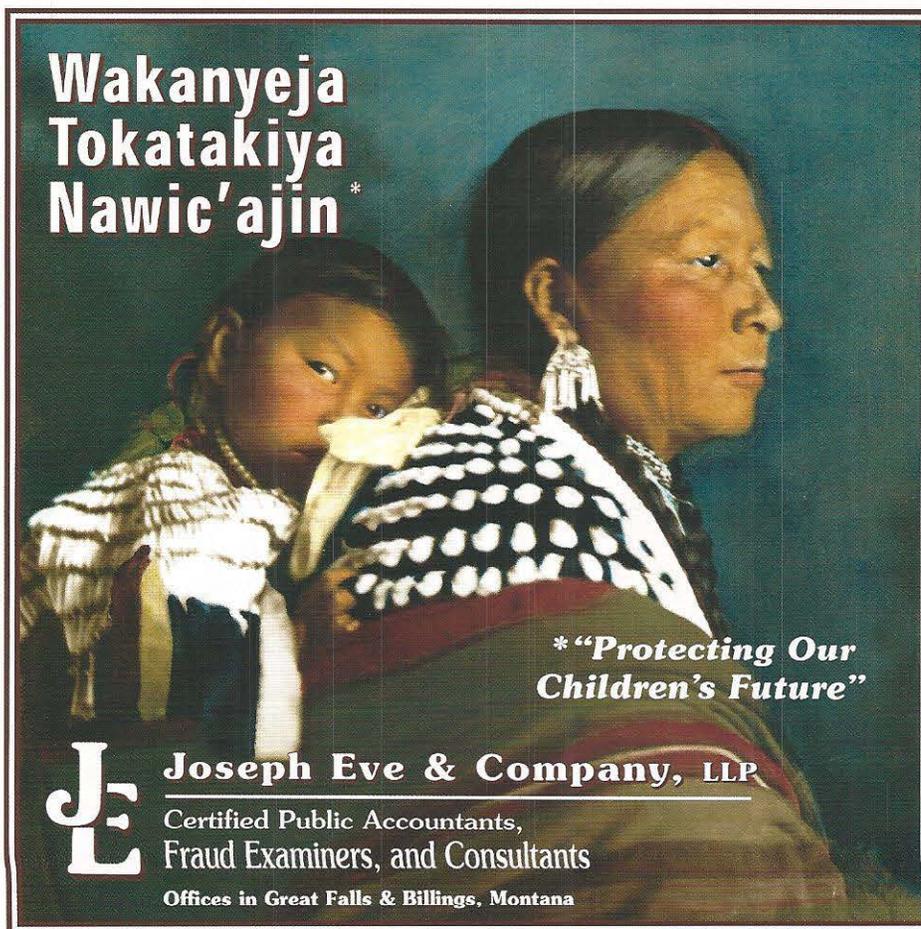
The public relations manager, the advertising manager, the special events coordinator and player development manager must develop action plans that adhere to the casino's objectives and strategies under guidance of the marketing director. Each action plan must state its goal, describe the methodology, forecast a response, estimate a cost and have a measurement tool in place.

Marketing Budget

When all the action plans for each area of the marketing department have been completed, the marketing director can then assemble a budget based on these clearly defined plans. Each estimated expense is supported by a clearly defined action plan that is based on sound strategy and realistic goals and objectives.

Successful casino marketing does not just happen because of a promotion to bring people in the casino, a cheap meal offer or a snappy slogan. It is based on thorough research, planning and implementation of sound strategies. Without a plan the casino's marketing department's efforts are reduced to an endless stream of promotions, meal discounts and mail offers. Rather than define the marketing playing field, a casino without a plan is forced to react to competitors' offers in order to maintain market share. With a plan in place the casino can grow its revenue, increase market share, satisfy its customers needs and achieve the property's financial goals. ♣

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