

CASE STUDY: "VISION ACCOMPLISHED!"

BRINGING A CASINO PLAYER DEVELOPMENT VISION TO LIFE

GROWING CODED PLAY BY X%

THE CHALLENGE

The casino in this case study was facing intense local competition, like so many casinos across the USA. To make matters worse, a nearby competitor was upgrading and expanding their facility in order to attract more local business.

In order to secure the long-term loyalty of their regular and prospective players against this pending threat to their business, there were things the property would have to do better. For example, there were refinements to be made in their direct mail program, and there were new club members to be contacted in a timely manner to generate return visits as soon as possible.

In short, the property's marketing team knew that using timely analytics to identify and activate players of opportunity already in their database would not only secure loyalty, but would drive additional revenue.

THE CONSTRAINT

The marketing team was anxious to begin leveraging the knowledge to be found in their data. The property had recently converted to the IGT Advantage Casino Management system, and while there were several canned reports available, there were not many associates on property who understood how to access and analyze this more readily available data.

The casino had a single database specialist to generate and share information. Most of this associate's time was spent on direct mail endeavors: generating mailing lists and appending associated offers, printing sample coupons and verifying accuracy, providing approvals for each stage of the printing process, then running redemption reports and providing insights on the effectiveness of the

mailings. This single (important!) task left him too busy to generate analysis on demand, whether on an ongoing basis or as one-offs. His standard response to a request for any additional ad hoc reporting became, "I can get to that in about six weeks." Player Development's reports, like so many others, were run only once a month.

There were just not enough analytical resources available to effectively do all the work necessary to get relevant data into the hands of the associates responsible for refining the marketing programs. It quickly became apparent that additional analytical resources were needed if the property was to move beyond just reporting to achieve the analysis necessary to improve their marketing results.

THE COMMON PROBLEM

It is a fact that business leaders would like to have more information about their customers, their processes, the efficiency with which their employees complete their tasks, and how all that affects the bottom line.

In the casino industry in particular, there are huge amounts of data collected through the Casino Management System, as well as Points of Sale and Hotel Management Systems.

But, in reality, there is sometimes only one person at a property who has the tools and skillset to *extract and compile* any of that data into meaningful analysis a team leader can use to understand and more profitably run the business.

This shortage of analytical bandwidth often leaves the managers struggling to implement the basic routines for their departments, let alone implementing their vision for a new approach.

For example, the manager of the Player Development team was spending 40% of his week on these essential steps: Identify players of opportunity, assign those players to hosts, ensure the hosts are on task in activating those players, and quantify the team's results.

The Director of Marketing began to research the analytical options available in the marketplace because he believed that increased analytics would drive revenue.

THE SEARCH FOR AN ENABLING TECHNOLOGY

The Marketing team knew that they would benefit from a provider that automated the generation of the standard report set. This approach would provide each marketing sub-department with the analysis they needed on a regular basis while enabling the database analyst to do more specialized and ad hoc reporting.

After looking at several companies and different kinds of services, the property settled on what they believed to be the best intersection of price and services. They found a SaaS provider with a hosted solution that the property could access over the internet, and which required no more of the property’s resources than a daily upload, which could easily be automated or run daily by an assigned associate.

Why a technology solution?

“For roughly what we would have spent to pay an additional analyst, we would receive daily updates and access to analytical dashboards...and this solution will never call in sick.”

– Director of Marketing

Why Harvest Trends?

“Harvest Trends offered, for us, the best intersection of customization and functionality at its affordable price point. HT was a good value for analytics instead of just more reports.”

– Director of Marketing

The intuitive nature of the Harvest Trends dashboards was important, but the arrival into specified inboxes of customized trends analysis was what the property’s leaders really looked forward to each day. The casino had picked a partner who could deliver standard and custom analysis each day via email, with

content that is of specific interest to the recipient, be that the General Manager, the Compliance Officer, or an individual Casino Host.

GETTING STARTED

Training on Harvest Trends was conducted over the internet, and because the products are pretty intuitive, it was completed quickly.

Automating the extract of data from the casino systems proved to be the most challenging part of the process, and a database consultant was brought on board to set things up. During the startup process, the property benefited from the consultant’s expertise in other ways. In addition to setting up the daily data pull, conversion and upload process, he worked very closely with the property’s database analyst to teach him how to validate data and troubleshoot the compile and upload operation. They also spent some time together working in other programs.

As a result, the database analyst improved his skillset by working with the consultant, and Harvest Trends freed up some of his time by automatically delivering custom analysis to the right property leaders each day.

This enabled the database analyst to produce more complex reports and respond to ever more involved inquiries more quickly than the marketing team had dreamed possible.

IMMEDIATE RESULTS

Once the daily process and upload were running smoothly, the property began receiving push reports each morning to tell them about the day prior: active carded players, related revenue, what club tier and/or host relationships were affected, and what marketing spend generated that play. This automatic snapshot allowed the property to quickly see their results and shift focus to profitable players and players of opportunity.

The marketing team began utilizing the dashboards and daily briefing books to refine the direct mail program, then added analysis and daily updates for poker, club tiers, player profitability, and comp analysis. The database analyst continued to be freed up from tasks such as daily analysis of the Poker room and could respond to ad-hoc requests from the property’s stakeholders.

OPPORTUNITIES WITHIN PLAYER DEVELOPMENT

To date, the property’s PD strategy had included mandatory host service for all members of the top tier of the rewards club, supplemented by on-floor prospecting. There was a goal structure which was based entirely on trips and theoretical generated by each host’s coded players.

The manager decided to maximize a strength he knew his team already had: prospecting live players on the gaming floor. He configured their IGT Advantage Casino Management System to reflect hot players who met the criteria for host service and arranged for hourly alerts to go to the host team throughout the day to enable them meet even more prospective players while they were gaming. These alerts included players who were not using a card as well as those who were, so hosts were able to support the property’s carded play percentage while making contact with players of worth before they left the property.

The challenge was how to incent and reward the hosts without timely data about qualifying players.

Players who had been “dibbed” and subsequently qualified by a host were not coded until the end of the quarter, so the hosts did not benefit from theoretical generated by their “dibs’ during the quarter in which they were qualified. There was, therefore, little benefit to qualifying players.

“...if a host got a player to qualify on the 5th of the month, they did not get any credit for that guest’s play for the rest of the month, so there was no sense of urgency,” said the Player Development Manager. “I couldn’t get the information often enough to keep up with coding qualified players to a host.”

The host program was driving revenue, but it was clear that the hosts could drive more revenue if they were more aggressive in qualifying the players they had prospected.

DRIVING REVENUE FROM A NEW HOST INITIATIVE

Harvest Trends worked with the Player Development Manager to customize the Daily Action Plan to support the specifics of a rolling 90-day "dibbed program".

The hosts can prospect on the gaming floor and in the database, "dibbing" the players they meet, depending on their play history and the connection with the host. The Player Development manager creates a "dibbed" coding relationship to the host, and then the Daily Action Plan provides the casino host with immediate updates on the value and status of the "dibbed" player.

A player can stay "dibbed" for a rolling 90-day period, during which the host is to establish contact and activate the player. Players who do not meet the trip and play requirements are "un-dibbed" at the end of the rolling 90 days. They are then available to be "dibbed" by another host, so they go back into a "pool" of worthy player prospects.

In order to meet their associated goal, each host has to activate a minimum of 25 prospects each quarter, with both a minimum number of visits and a play threshold. Activating at least 20% percent of their "dibs" is an additional goal.

This program, enabled by the Daily Action Plans, provided a new impetus for the hosts to qualify as many of their players as quickly as possible because they were able to immediately receive the benefit of the theoretical these guests had generated during the same goal period.

The manager receives his Daily Summary to see the status of each "dibbed" player and is alerted to "dibbed" players that have reached the qualification threshold and need to be re-coded. This enables the manager to support the program each day with a minimum investment of his own time.

The database analyst would not have had the bandwidth to run this complex, rolling 90-day-by-player goal in conjunction with a fixed quarterly bonus structure. But with their new partner in analysis, the necessary information comes to the entire team each day.

INVESTING TIME IN GROWTH NOT MAINTENANCE

Each host now understands what is happening with his prospects, as well as his coded players, because the Daily Action Plan provides recommendations grouped in meaningful ways to provide context for next steps. The hosts know which of their players are close to qualifying, so they can encourage one more trip.

The PD Manager saves as much as 20 hours each week he'd previously spent crunching numbers to keep the team and his boss aware of the team's progress. The manager can see which of his hosts was struggling with what goals, and now he has the time to meet with his hosts to coach them.

Because they automatically received the information they need to more efficiently and effectively accomplish their goals every day, the PD team prospered. There was robust growth among coded players.

Each host was taught to manage the player list as they would run their own business. Host results are based on net ADT, leading to better comp decisions, better profitability, and ultimately better revenue for the property.

THE POSITIVE OUTCOME

In January 2011, the hosts' players represented 31% of tracked play. By the end of that year, players coded to a host were responsible for 34% of carded play, so the team was making some progress in growing theoretical from among its higher-ADT and Diamond tiered players. In April 2012, the property signed an agreement with Harvest Trends, and they began uploading data in order to receive daily action items in May.

By the end of 2012, coded players were responsible for 39% of all carded play.

This addition to their analytical arsenal coincided with the completion of a massive expansion an upgrade to one of the property’s nearby competitors. The Player Development team had been tasked with protecting the loyalty of the property’s at-risk high-worth players, and the Director of Marketing was working with the new insights to ensure that the direct mail program was as effective and efficient as possible. In conjunction with Harvest Trends, the property utilized mapping of player drive time to determine fight zones with its nearby competitors.

Year Over Year Changes By Quarter

| Quarter/Year | Hosted (incl. “dibs”) | Un-Hosted | Total Carded |
|--------------|-----------------------|-----------|--------------|
| Q1 2012 | 28% | 9% | 16% |
| Q2 2012 | 26% | 7% | 14% |
| Q3 2012 | 30% | 9% | 16% |
| Q4 2012 | 13% | 3% | 1% |
| Q1 2013 | 13% | (-1%) | 2% |
| Q2 2013 | 7% | (-1%) | 2% |
| Q3 2013 | 1% | (-8%) | (-4%) |
| Q4 2013 | 17% | (-6%) | 4% |
| Q1 2014 | 12% | (-13%) | (-3%) |
| Q2 2014 | 10% | (-7%) | 0% |

Aggregated carded play for 2012 was up a little more than 14% over 2011, **driven mostly by a 25% increase (year over year) in hosted players’ theoretical**. Play for un-hosted players accounted for a much smaller portion of the growth in carded play.

During the following year, un-hosted play declined, but hosted players (both dibbed and coded) more than made up for the loss, resulting in a small bit of growth in overall carded play for 2013 (approximately 1%) despite a difficult winter and lackluster economic growth industry wide.

IN SUMMARY

Player worth on the hosts' coded lists has begun to climb from its low in mid-2013. The hosts at this property were always good at finding players of opportunity and connecting with them in a meaningful way to bring some of them back, but there were clearly parts of the process that were in need of improvement. Because they were unable to receive timely and actionable information in regards to which of their players had almost qualified or was about to be "un-dibbed" due to inactivity, both the hosts and their manager were spending much of their valuable time trying to assess their work for themselves instead of getting more of it done.

The organic prospecting process used by the hosts, combined with the use of the Daily Action Plans and other daily deliveries have enabled this PD team to:

- Secure the loyalty of the players in the top rewards club tier
- Stabilize the activity level of their "maintenance" players
- Increase the overall worth of the players for whom the hosts are responsible
- Drive revenue for the property even when lower-ADT play has declined

Now that they are able to focus on the players who offer the most opportunity today, the hosts are more successful than ever in driving revenue for their property. In fact, it looks as though the quarter during which the study was compiled is likely to be end with hosts' coded players worth more theoretical than ever before.

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