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CASINO AND RESORT MARKETING TRENDS

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IT SEEMS THAT THE EMERGING GROWTH STRATEGY FOR LEADERS IN THE CASINO AND RESORT INDUSTRY IS NOT NECESSARILY TO BUILD MORE CASINOS.

Rather than invest capital in expensive real estate with high fixed costs, the trend appears to be towards investing in more sophisticated customer acquisition. This would make sense since historically, the Casino industry has been characterized by inherently low customer loyalty and inherently high fixed costs.

A good example is Harrah's acquisition of Caesars. Quicker and probably cheaper than building competing casinos, the acquisition offers the opportunity for Harrah's to not only acquire more customers but to extend its innovative customer marketing methods through new points of customer contact.

It is no secret that Harrah's strategy is to use customer data to optimize its casino and hotel businesses by driving profitability both through loyalty programs and customer services. Harrah's was one of the first to recognize the value of its customer data and to invest in sophisticated marketing analytics to extract this value. Marriott have a similar strategy for their resorts and hotels. Consequently, both Harrah's and Marriott are industry leaders.

How do they do this? Both have changed out their legacy systems to get one central view of the customer across all properties. Both use analytics to segment customers based on spending behavior and to offer deals on predictions of future spending; manipulating award levels to gain more loyalty. Analytics are used to design promotions that address customer frequency decline, venue preferences, machine type, birthday comps and real time slot floor marketing. Analytics also compares how a customer actually behaved versus the behavior that was predicted.

These systems link information gathered about customer spending from their loyalty programs to their campaign management and revenue management programs, creating an increasingly cost effective, closed-loop marketing environment. Customers enjoy this highly personalized attention they receive, and it is reflected in increased wallet-share.

Although undoubtedly sophisticated, predictive psychographic modeling of customer data using advanced analytics is no longer an expensive or time consuming process. However, the results are truly impressive and flow directly to the bottom line.

Modern Analytics advises on the most effective use of marketing analytics, undertakes advanced analytical modeling and automates the data marts that create the fact-based environment for enterprise decision-making and business performance breakthroughs. The firm is known for its quality, speed and affordable solutions.