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## Offers They Can't Refuse

by Marian Green

July 14, 2008

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*Tough economic times cause casinos to ratchet up promotions to bring players through the door*

Slot executives know they need to work harder to get the business, with the economy tanking and people thinking long and hard before taking that weekend getaway.

The right promotion or incentive can help, providing that little extra something to bring people to the casino floor.

"Casinos can't afford not to be aggressive in their marketing plans and their player offers. With gaming available all over the country and multiple properties within the same market, players have more choices than ever before," said Linda Gordon, director of gaming promotions, SCA Promotions gaming division. "Marketing departments are under a lot of pressure to generate results and a scalable, affordable promotion is one of the best ways to drive incremental gaming revenue, club sign-ups and player loyalty."

In today's economy, with gas prices rising above \$4 a gallon, many casinos are finding that offering gasoline gift cards go a long way with players, said Jim Speir, director of sales for SVM, a Des Plaines, Ill.-based company specializing in retail gift cards as promotional or incentive items for companies in many different industries.

"With gas prices skyrocketing, we're getting a lot more interest in gas cards," especially since getting to many casinos may require a significant drive, he said.

"It's a very practical item that's easy to transact," he said. "In a recessionary period, when their disposable income is shrinking, it helps them [customers] take care of their monthly budget and gives some relief to them."

Many existing casino customers are buying cards more frequently as they seek to heighten interest from players to visit their properties, despite rising gas and food costs, Speir said.

"We have noticed that a lot of them are coming back to us especially with the gas cards," he said, noting one East Coast casino recently purchased more than \$500,000 in gas cards to use as an incentive for booking hotel stays.

Speir said casino clients appreciate the variety provided through SVM, the exclusive vendor for more than 100 different retail brands, including gas, grocery, home improvement, consumer electronics, restaurants and other companies.

"They like having a single source and that they can switch out their promotions to keep them fresh," simply by giving a different gift card, Speir said.

Players place a high value on gift cards, Speir noted. "When they're placed into a reward program, it becomes one of the top, if not the top, redemption. When people are given points and an opportunity to choose, the fact that it's chosen more than anything else is a good indication that it's popular," he said.

In addition, many casinos use them as an employee incentive or reward, or simply as a way to show compassion to employees about rising gas prices.

Like SVM, SCA Promotions also has seen increasing interest from existing and new customers who have used its promotions, Gordon said.

"We are hearing from clients who have not worked with us recently. Whether it is the economy or simply increased competition, there is a great deal of interest out there to do promotions," Gordon said.

SCA's promotions focus on achieving different goals, such as driving incremental growth, acquiring new customers, retaining existing players and promoting their brands.

Many clients return to SCA to pursue promotions that have worked in the past.

"Some are extending promotions longer than originally intended to drive acquisition and return trips. A casino in a major market has extended their multi-million dollar slot pull three times," she said.

To drive player interest, SCA strives to stay on top of pop culture when designing promotions, Gordon said. Among popular promotions are the \$1 Million Royal Flush, and SCA's version of Deal or No Deal.

Casino customers often prefer kiosk-based promotions because they are multifunctional and customizable. "Our prize kiosks interface with most slot player tracking systems and award prizes based on casino play," she said.

The Palms casino-resort in Las Vegas last year implemented SCA's \$1 Million Football Cash promotion.

This 17-week promotion was designed to drive repeat visits to casinos during football season. Players simply swiped their player's club card to generate a weekly ticket, similar to a quick pick, for a chance at winning \$1 million. "It was very successful for them," Gordon said. And SCA insures the life-changing jackpots on its promotions, giving operators peace of mind about their risk exposure.

Another promotion called Email Me a Million features a kiosk in which customers who plugged in their email into the kiosk had a shot at a million dollars. That promotion, netted thousands of new email addresses for a marketing department at a Canadian casino that used it.



SCA promotions like this one can drive play, capture new business and collect data for casino operators.

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What's nice about the kiosk promotions, she said, is they need only limited staffing and can be customized for the casino.

Casinos also are seeking ways to reward customers for their loyal play through promotional gifts and incentives.

The gaming industry uses incentives to accomplish a variety of goals, said Dana Slockbower, director of marketing, Pine Brook, N.J.-based Rymax Marketing Services Inc.

For example, casinos might want to increase coin-in on the slot floor, heighten interest in a slot tournament, or boost overall hotel spend.

Rymax leverages its strategic factory partnerships and proven ability to provide total program and event management.

One casino recently chose Rymax to service its shopping spree event. Rymax's in-house staff and product professionals were available to assist players during their shopping experience. The company then shipped rewards directly to the players.

"It's an interactive experience. People can shop at their leisure," Slockbower said. "We really provide a turnkey solution so everyone can just relax and enjoy the day."

The events create excitement, she noted. "People are peeking in the ballrooms - wondering what's going on. It entices a crowd, draws some type of traffic, and that's exactly what you want to do," Slockbower said.

Players want to be rewarded for their loyalty, she said. "Nowadays players expect [these types of reward programs] in place. Players are demanding the best bang for the buck," she said.

Rymax offers a variety of products - close to 125 different brands - in all different price points. As the economy has gotten tougher, Slockbower noted that more players are choosing cookware or some other product for the home.

While the products come in at different price points, all must be good quality or have high perceived value. "They want to make sure it's worth the trip and they get something of value," she said.

Rymax also provides programs for employee rewards and anniversaries. "You want to keep your top talent loyal and motivated in the gaming and hospitality industry," she said.

### Branding success

Gary Border, president and founder of Marketing Results Inc. said a casino's real solution for success is to create a strong brand and market it effectively.

"Every casino needs a strong brand," he said. "Create a niche that only you can fill."

Border is not a fan of giveaways. "Often, giveaways can result in casinos upping the ante on each other.

Differentiating your property from the other casinos is what matters, he said. "If you can pinpoint the one thing you have that sets you apart, that identity is your brand."

Other keys, he said, are ensuring that your database of players is strong, and that your company is reaching out to new players as they sign up for the loyalty club.

One of the newest tools casinos can employ is text messaging, he said.

"It's maintaining really effective dialogue with customers." You kind of lose the fluff in a text message. It's just very relevant and very personal."

Rather than spend on promotional gifts, casinos need to ensure staffing and service levels are up, said Border, who founded the company, with offices in Sicklerville, N.J., and Henderson, Nev., 20 years ago.

At the end of the day, he said, that's what makes a difference to players. "The truth is they want an experience; they want something for their money that equals fun."

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Rymax offers a range of well-known branded items casinos can use as part of their player loyalty programs. Among the items are Circulon cookware, Toshiba high-definition LCD televisions and Skull Candy headphones.