



It's Labor Day, Again?

Recently, a casino manager of a large local-oriented gaming property had an epiphany. He realized that Labor Day was only six weeks away and he wanted to do something for his regular players. He assembled his marketing team and together, created a plan to give each customer a gift on the holiday if they earned a certain number of slot club points. The general manager defined some caveats: the gift had to have the casino's logo on it, it had to be something patriotic and it could not cost more than two dollars. The purchasing director and marketing director then ran off to contact their vendors and see what they could find.

Unfortunately, the items that were available in sizable quantities were limited. None of the samples impressed the general manager. Further, some of the available items could not accommodate the casino's logo. Worse, all of the items presented cost well in excess of two dollars. Meanwhile, the ad agency was contacted and asked to start work on an ad. However, until the item was selected, the agency could not produce anything more than thumbnail sketches.

Finally, the casino's management team settled on a flag that clipped onto the side window of a car. Because of the time constraints, the vendor could only affix a sticker onto the flag's base rather than have it painted on. The ads were created but the agency was forced to use a snapshot of the gift rather than hire a photographer who could shoot the item in his studio. The ads were underwhelming. The casino manager then suggested that marketing send out a postcard. The marketing director hastily printed 10,000 postcards but, because of a delay in approving the postage check, the postcard was late getting into customers' mailboxes.

Finally, Labor Day arrived. There was some confusion at the slot club booth and it was unclear how people qualified for the gift. Despite all this, the holiday promotion attracted a sizable number of players and the casino ran out of merchandise by mid-afternoon. Some customers who did not receive their flag left unhappy. Other customers subsequently complained that the flags broke off in the wind.

Holidays Should Not Be a Surprise

While the past is not always the best predictor of the future, the fact is that Labor Day usually falls on the first Monday of September, New Year's Eve usually falls on December 31, Christmas on December 25th and Thanksgiving on the third Thursday of November. Other holidays seem to follow similar patterns. With the sole exception of Super Bowl Sunday, which requires a phone call to your local beer distributor for confirmation of the exact date, just about every holiday can be predicted each year with a high degree of accuracy. Then why is it so hard for casinos to plan

for these events and allow for enough time to order merchandise, create ads, develop procedures and execute holiday promotions consistently and effectively?

Holiday promotions that are hastily planned put undue pressure on everyone involved. Vendors who strive to find the best merchandise at the lowest price cannot use their overseas production facilities and are forced to find merchandise that is either produced domestically or is sitting in someone else's warehouse. This limits the casino's choices and raises its costs. Advertising agencies, who strive to produce attractive and consistent looking ads, are also constricted from doing their best when not given adequate lead time. Policies and procedures that are not well thought out and clearly communicated increase the chances of customer disputes and put undue pressure on floor staff.

There are a number of reasons why this scenario is played out over and over again in casinos across this country. The first is usually the absence of a written, annual marketing plan that, among other things, details the property's promotions strategy and the tactics to carry those strategies out. Without a written strategy, the marketing team cannot effectively plan future promotions and stumbles from one event to the next. Other forces combine to create obstacles for effective promotions.

Developing a Sound Promotions Strategies

The casino properties with the most consistent and effective promotions operate with a promotions strategy that is clearly communicated to the marketing team and is part of an overall marketing plan. A simple holiday promotions strategy would state "the casino will utilize major holidays to create exciting day-long events in order to capture both frequent loyalists and occasional local players. Free gifts will be distributed to those players achieving certain minimum point thresholds. Gifts will be appropriate to the holiday period and offer meaningful value to recipients."

With a clear and unambiguous mandate, the marketing team can plan all future holiday promotions with enough lead time to give all constituents enough time to do their jobs effectively.

Creating Tactical Plans

The nuts and bolts of any promotion is the tactical plan. Very simply, the tactical plan summarizes the purpose of the promotion, defines the target market and lists all of the tasks that need to be accomplished. The tactical plan is then further broken down into an action plan. The action plan lists everything that has to happen, assigns accountabilities to individuals and defines due dates. The following table illustrates a simple action plan.

Labor Day Giveaway	Accountability	Due Date	Days Left
Define promotion parameters	Marketing Director	19-Apr-04	137
Contact vendor	Purchasing Manager	26-Apr-04	130
Inspect samples	Marketing Director	10-May-04	116
Approve merchandise	Marketing Director/GM	19-May-04	107
Issue purchase order	Purchasing Manager	20-May-04	106
Write procedures	Promotions Manager	01-Jun-04	95
Approve procedures	Marketing Director	14-Jun-04	82
Initiate design of collateral	Ad Manager	14-Jun-04	82
Design ad plan	Ad Manager	15-Jun-04	81
Approve ads/ad plan	Marketing Director	28-Jun-04	68
Order direct mail piece	Mail Coordinator	28-Jun-04	68
Check status of merchandise	Promotions Manager	30-Jun-04	66
Drop mailer	Mail Coordinator	16-Aug-04	20
Merchandise delivered	Promotions Manager	21-Aug-04	15
Start ad campaign	Ad Manager	22-Aug-04	14
Brief club staff	Promotions Manager	31-Aug-04	6
Execute promotion	Marketing Team	06-Sep-04	-

Removing Obstacles

Even with sound strategies and tactics in place, obstacles often pop up. Casino managers sometimes rethink promotional strategies, wondering if promotions are really effective. They sit on purchase requests for weeks at a time as they ponder whether

it is worth the money. They often ask to participate in the selection of merchandise, approval of ads and mail pieces, and then wait to make a decision as they address more pressing issues. With each passing day though, the process is delayed and the chance of failure increases. Wasted time is the enemy of effective execution of promotions. Much of that wasted time occurs within the confines of the executive office. If a promotions strategy is in place and approved by the property's leaders, then the task of executing that strategy falls on the marketing team. Strategic decisions need only be made once. Tactical decisions should be delegated to the marketing team.

A sound promotions strategy allows the marketing team to continuously look out over the horizon and plan for events six to eight months in the future. With a sound promotions strategy in place, the marketing team can continuously develop new promotions and, once approved, execute them effectively. No one ever needs to wait to the last minute to design a holiday promotion if there is an ongoing process of planning and execution. ♣

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