



Rethinking Market Research in the Era of COVID-19

by Andrew Klebanow

The past six months have brought a great amount of uncertainty to the gaming industry. As casinos prepared to re-open in late May and June, many operators wondered if customers would return and how they would react to new health and safety protocols. Even after casinos re-opened, there remained a great deal of trepidation from players. Moving forward, as COVID-19 infections spike in some markets, recede in others, and even re-emerge, player wagering and visitation patterns will continue to change. Safety protocols are also bound to evolve. Insights into customer opinions are more important today than ever before.

Every operator continues to ask if they are doing everything they can to make their casinos safe and comfortable for their players. An ongoing program of market research is critical to understand customer satisfaction, forecast future demand, and to compete in a very uncertain economic climate. Accurate and timely feedback is essential. While traditional research methodologies form the foundation for sound market research, the pandemic requires a certain amount of rethinking of those methods. Like everything else, the virus requires rethinking how research is done.

The Importance of Secondary Data

A basic principle of any market research program is to first examine secondary research data. Secondary research refers to data produced by others that is available in the public domain. At one time, Harrah's Entertainment published an annual report entitled, "Profile of the American Gambler," which provided a wealth of information on customers' gaming behavior. The American Gaming Association continues to publish statistics that are readily available on their website.

Individual states also issue monthly gaming revenue reports, summarizing the performance of commercial casinos in their jurisdictions. In trying to predict trends for individual properties, this data is more valuable than ever. Many markets that opened in June of 2020 experienced only modest declines in gaming revenue from prior year periods, far better than what was originally feared. July 2020 statistics indicate that certain markets actually exceeded revenues from the prior period, indicating customers' acceptance of safety protocols. Data like this allows Indian casino operators to better forecast future revenues, gauge the sentiments of gamers in nearby jurisdictions, understand what the most successful markets are doing right, and what the weaker markets are doing wrong.

Customer Insight Panels and Focus Groups in the Era of COVID-19

In the era of COVID-19, understanding customer perceptions is more important than ever. Qualitative market research, in the form of customer insight panels and focus groups, remain the most important tools for exploratory research. These panels bring together small groups of customers in order to discuss a variety of topics. They identify issues that may not be apparent to operators and provide insights into a property's strengths and weaknesses as well as those of the competition.

Health and safety protocols require operators to rethink how they can conduct focus groups. Bringing ten people into a conference room for a 90-minute discussion now requires that marketing personnel overcome a number of logistical and operational hurdles. Participants must be seated at least six feet apart. Furthermore, masks, a mandatory requirement for any such meeting, muffles people's voices, and thus just hearing what patrons have to say can be difficult. Disposable face shields could serve as an alternative to masks; and remote microphones that are properly spaced from participants, would be needed for amplification. Any such groups would also need to be approved by the property's safety director. Most important, customers must be assured that they will be in a safe environment, should they choose to participate in these panels.

Rethinking Quantitative Research

Hypotheses developed from qualitative studies need to be tested with quantitative analysis. Surveys remain the best tool to poll customers as to their opinions. Technology has streamlined the process, essentially putting the power of survey design and analysis into the hands of property marketing personnel. The danger in having such a powerful research tool is that it often bypasses the most important step in quantitative research design: the creation of sound research objectives and unambiguous survey design. This is truer in the era of COVID-19 than ever before. Objectives are the road map to sound survey design. Every question that is ultimately asked in a survey must answer a research objective. A solution is to specify the objective that each question in the survey intends to answer. If a question does not achieve an objective, leave it out.

Survey software allows the market researcher to send surveys via email to the appropriate sample set, get responses

back quickly, and automatically summarize responses into tables and charts. It also allows for cross tabulation of data. For instance, respondents that answered a certain question can then be cross tabulated with their gender or age in order to gain further insights. What once required sophisticated software can now be accomplished on a laptop. Again, this only works if there are clear research objectives and well-written, unambiguous questions. It also requires a sufficient sample size and the appropriate target market.

Tablet computers serve a similar role. Tablets allow the marketing team to poll customers as gamers enter/egress the casino, or given to hosts, allow them to query customers on the gaming floor. Where once hosts may have been instructed to informally ask their customers' opinions, tablets with survey software can eliminate hosts' biases and provide leadership with actionable data. Again, tablet software is only as good as the research objectives that govern survey design.

Build Sound Questionnaires

While survey software and tablet computers streamline the gathering and analysis of survey data, it is critical that the questions asked are clear and unambiguous. Too often, surveys are administered without first being pre-tested. A pre-test presents the questionnaire to a small sample of customers (or employees). Their responses are then tabulated and examined to assure that questions are clear and answered concisely. The pre-test also allows the research team the opportunity to make sure they asked all of the questions that address the research objectives. Once a survey is administered to a large population and the data is collected, it is too late to lament, "If only we asked x instead of y."

The Research Report

Once all of the data is gathered, the survey software automatically summarizes the results in tables and charts. What is essential is that the research team take those results and summarize the findings in a research report. A good researcher will always step back, examine the results of the survey, and prepare a summary research report. Too often, this step is skipped and summary tables are simply passed along to senior leadership, leaving them to make their own conclusions. Sound research principles require that the researcher prepare a concise report that interprets the results and summarizes the findings of the survey, without bias.

In this era of COVID-19, casino operators will have to continually probe customers' opinions as circumstances continue to change. What was perceived as a problem three months ago may no longer trouble customers today. Conversely, what was not perceived as a problem may now

have emerged as a critical factor in deciding whether or not to visit a casino. In the era of COVID-19, it is imperative that casino operators monitor what customers are thinking as new protocols are introduced.

Market research are the weathervanes that indicate where customer perceptions are heading. Conducted correctly and in a timely manner, an ongoing program of consumer research will allow operators to continually test proposed changes, and gauge customer satisfaction. Nevertheless, any research project that is done hastily and disregards fundamental market research principles can lead to erroneous findings, and possibly the implementation of flawed strategies. ♣

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