



ANDREW KLEBANOW

## Understanding the Marketing Mix

As competition among Native American gaming A properties grows, there is increased pressure on casino marketing and operations managers to grow market share. This is normally achieved by either stealing share from other properties or identifying and attracting new market segments. Tales abound in the industry of half-hearted attempts to grow business. An aging casino, eager to attract high end play, hires a senior host from a newer property with the hopes of using his list of premium players. A local oriented casino, recognizing the importance of Asian gamers, enters into an agreement with a junket rep who promises to deliver Asian players. Invariably such efforts fall short of their intended goals because these gaming operators fail to develop the proper marketing mix prior to servicing these new market segments.

While originally developed for the hospitality industry, the principles of the marketing mix are readily adaptable to

business issues facing Native American gaming. First developed by Leo M. Renaghan of Cornell University's School of Hotel Administration and later refined by Robert Lewis and Richard Chambers, the marketing mix is comprised of four distinct components: the product/service mix, the distribution mix, the communications mix and the presentation mix.

To better illustrate how Renaghan's concepts of the hospitality marketing mix can be readily adapted to the Indian gaming business model, this article will use the goal of attracting Chinese-American gamblers to a casino property as an example. Anyone who has walked into a California card room has recognized that a sizable minority of Chinese Americans are enthusiastic gamblers. Both California and Nevada gaming operators have looked in envy at this gaming rich market and wondered how one gets these avid players into one's own casino.

It is not unusual for a casino manager to assume that the only thing he/she needs to attract this lucrative segment is to bring in some Asian games, hire a Chinese host, find a junket rep or obtain a player list. Unfortunately, these lackluster efforts usually fail and are eventually abandoned.

### The Product-Service Mix

Renaghan defines the product-service mix as "the combination of products and services, whether free or for sale, aimed at satisfying the needs of the target market." What products and services will the casino offer this segment? To service the Chinese-American gambler, a casino must consider adding a Hong Kong style restaurant, a quick-serve noodle bar and an array of Chinese table games. Food and tea service delivered directly to the gaming tables are additional amenities that are expected from the target market. These are the fundamental products and services needed to attract and service this market.

In addition, the casino operator must provide other services unique to the Chinese-Americans. Understanding the Chinese concept of "face" is critical. Many Chinese players do not want to be seen at the cage applying for credit lest they be seen as losing face. Therefore the casino must consider alternatives methods of applying for and dispensing credit such as creating a separate room or a walled area where players could talk to a cage representative in private.

This target market is superstitious in ways that American gaming operators may not understand. By neglecting the market's cultural beliefs, the casino risks alienating rather than attracting this segment. So in addition to games and food, the casino operator must consider redesigning a portion of the

## Blackjack and the Law

Do casinos have the legal right to exclude players because they are skillful? What if a player who is told to leave comes back to play later? Can you be forced to show your ID? Can you legally use false ID? What if you are told by security guards to go into the "back room"? Is preferential shuffling legal? Can a casino legally restrict your bet spread? How can professionals take gambling losses off their taxes? What records do you have to keep to satisfy the IRS? Is it legal to gamble over the Internet? Are gaming laws different on Indian reservations? Everyone from the casual player to the full-time professional card-counter will find useful answers to legal gambling questions in this 245 page book, **Blackjack and the Law**. This book brings together 14 years of the syndicated columns of Attorney I. Nelson Rose, recognized as one of the world's leading authorities on gambling law, with the commentary of Attorney Robert A. Loeb, who has represented many card-counters in various legal disputes.

Please send me **Blackjack and the Law** for \$24.95  
 NV residents add \$1.81 tax (per book)  
 Shipping & Handling \$3.50  
 Check enclosed, or  Charge my Credit Card:  
 Visa  Mastercard  Discover  American Express

Quantity:

Card #	Expir Date
Name	
Address	
City	State ZIP

Send to:  
 RGE Publishing, Ltd., 2565 Chandler Ave. #8, Las Vegas, NV 89120  
 Tel: (702)798-7RGE Fax: (702) 798-8RGE

casino so that it incorporates elements of feng shui. Feng shui, literally meaning wind and water, is a way of designing space so that it brings its occupants good fortune while simultaneously reducing misfortune. The operator should consider hiring a design specialist with knowledge of this ancient design aesthetic.

### The Communications Mix

The communications mix consists of all of the communications between the casino and the target market that establish consumer expectations. How will the casino reach and advertise to the target market? An advertising campaign designed to appeal to a broad swath of the population may be inappropriate when communicating to a specific ethnic group. Is the media appropriate? Just identifying billboard locations within Asian neighborhoods and plastering a generic casino message is not enough. Does the target market read the periodicals that you advertise in? Are the messages appropriate? Do the faces displayed match the target market? The images, language and behaviors displayed in advertisements must be modeled after the target market.

How the casino communicates to the intended market while on property is just as important. Are the brochures and information packets written in the correct language and right dialect? Are there directional signs indicating where customers should go to redeem offers? All of the methods that the casino employs to communicate to its intended market must be appropriate.

### Distribution Mix

The distribution mix is comprised of all channels available between the casino and the target market that increase the probability of getting the customer to the property. In manufacturing, the distribution mix deals with getting the product to the consumer. In gaming, it is about getting the consumer to the product.

How will the target market get to the casino? If the casino is targeting high-end Asian players, does it have the ability to transport those guests to and from the casino in limousines? Is there a shuttle bus service that can deliver mid and lower tier players to the property? Does the intended market live within a reasonable drive from the casino? If the target market is located several hundred miles away from the casino it may not be feasible to expect them to visit with any degree of regularity.

Agents, hosts and bus operators all are part of the distribution mix. They are the conduits that help deliver the targeted guests to the property.

### Presentation Mix

Renaghan defines the presentation mix as all of the elements used by the property to increase the tangibility of the product/service mix in the perception of the target market. What this means for the casino operator is that when the customer

walks into the property, he/she will immediately get a tangible presentation of the type of facility he/she just entered. If the promise was a luxury facility that caters to Chinese tastes, then the targeted customer will immediately say, "This place is about me. This is where I belong." Within the presentation mix are atmospherics, appropriate décor and, in the case of the target market, a sense of belonging. Price, whether in the form of room rate, package price or comp policy also comprises the presentation mix. It also means that there are signs and posters that communicate instructions to the target market, Chinese symbols of luck, people who have the language skills to address concerns and an overall sense of belonging. It is within the presentation mix that the experience equals the expectation.

Identifying new markets is critical for any casino that desires to grow its business. Successfully attracting and servicing those new markets takes sound planning and implementation. Understanding the importance of the marketing mix increases the chances that the casino will succeed in achieving its goals. ♣

*Andrew Klebanow is principal of Klebanow Consulting. He can be reached at (702) 547-2225 or e-mail Klebanow@att.net.*

# Factory Direct

40% off paper shredder sale!

*guaranteed lowest prices*

GBC® Shredmaster  
THE Premium Shredder Brand

keep it confidential...  
SHRED IT!

**Call Today (800) 554-0463**